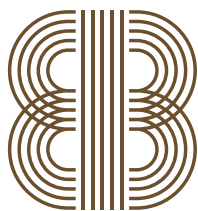


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



E. BON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

怡邦行控股有限公司

(Stock Code: 599)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The Board of Directors (the “Board”) of E. Bon Holdings Limited (the “Company”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (together the “Group”) for the year ended 31 March 2021 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	3	422,454	510,436
Cost of sales	4	<u>(263,869)</u>	<u>(303,706)</u>
Gross profit		158,585	206,730
Other income	3	3,711	3,632
Other gains/(losses), net	3	3,587	(4,110)
Net impairment losses on financial and contract assets		(139)	–
Distribution costs	4	(81,956)	(104,228)
Administrative expenses	4	<u>(67,047)</u>	<u>(79,876)</u>
Operating profit		16,741	22,148
Finance income		178	136
Finance costs		<u>(4,324)</u>	<u>(5,895)</u>
Finance costs, net		<u>(4,146)</u>	<u>(5,759)</u>
Profit before income tax		12,595	16,389
Income tax expense	5	<u>(1,826)</u>	<u>(5,063)</u>
Profit for the year attributable to equity holders of the Company		<u>10,769</u>	<u>11,326</u>

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
Other comprehensive income/(expenses)			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange gains/(losses) on translation of financial statements of foreign operations		1,000	(1,369)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gains/(losses) on revaluation of properties held for own use		6,338	(9,150)
Tax effect relating to revaluation of properties held for own use		(1,046)	1,509
		<u>6,292</u>	<u>(9,010)</u>
Other comprehensive income/(expenses) for the year, net of tax		<u>6,292</u>	<u>(9,010)</u>
Total comprehensive income for the year attributable to equity holders of the Company		<u>17,061</u>	<u>2,316</u>
Earnings per share (expressed in HK cents per share)			
— Basic and diluted	7	<u>1.79 cents</u>	<u>1.89 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		245,891	175,057
Right-of-use assets		65,141	72,188
Investment properties		32,300	31,600
Deferred income tax assets		7,019	6,458
Retention and other receivables	8	5,874	6,163
		<u>356,225</u>	<u>291,466</u>
Current assets			
Inventories		142,451	144,870
Trade, retention and other receivables	8	93,109	153,822
Contract assets	8	4,325	3,629
Current income tax recoverable		3,604	1,400
Cash and cash equivalents		102,964	83,434
		<u>346,453</u>	<u>387,155</u>
Total assets		<u>702,678</u>	<u>678,621</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		60,060	60,060
Reserves		401,172	390,117
Total equity		<u>461,232</u>	<u>450,177</u>

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Other provision	9	3,800	3,500
Lease liabilities		41,920	43,929
Deferred income tax liabilities		19,276	19,560
		<u>64,996</u>	<u>66,989</u>
Current liabilities			
Trade and other payables	9	35,975	34,544
Contract liabilities	9	42,248	77,189
Derivative financial liabilities		851	807
Lease liabilities		28,477	33,617
Borrowings		66,574	10,656
Current income tax liabilities		2,325	4,642
		<u>176,450</u>	<u>161,455</u>
Total liabilities		<u>241,446</u>	<u>228,444</u>
Total equity and liabilities		<u>702,678</u>	<u>678,621</u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements of E. Bon Holdings Limited have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of leasehold land and buildings held for own use, investment properties and derivative financial instruments, which are carried at fair values.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

- (a) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning on or after 1 April 2020:

Amendments to HKFRS 3 (Revised)	Definition of a Business (amendments)
Conceptual Framework for Financial Reporting 2018	Revised conceptual Framework for Financial reporting
Amendments to HKAS 1 and HKAS 8	Definition of Material (amendments)
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform — Phase 1 (amendments)

The adoption of the above new standards and amendments to standards did not have any significant financial impact on these consolidated financial statements.

- (b) Amended standards early adopted by the Group

The Group has early adopted the following amendment for the first time for their annual reporting period commencing 1 April 2020:

HKFRS 16	COVID-19-Related Rent Concessions (amendments)
----------	--

The nature and the impact of amendments to HKFRS 16 are set out as Note 2.

- (c) New standards, amendments to standards and interpretations have been issued but are effective for the financial year beginning on or after 1 January 2020 and have not been early adopted:

		Effective for annual periods beginning on or after
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 (amendments)	1 January 2021
Annual Improvements Project	Annual Improvements to HKFRSs 2018-2020 (amendments)	1 January 2022
Amendment to HKFRS 3	Definition of a Business (amendments)	1 January 2022
Amendment to HKAS 16	Property, Plant and Equipment (amendments)	1 January 2022
Amendment to HKAS 37	Provisions, Contingent Liabilities and Contingent Assets (amendments)	1 January 2022

		Effective for annual periods beginning on or after
Amendment to HKAS 1	Classification of Liabilities as Current or Non-current (amendments)	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
HK Int 5 (2020)	Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (HK Int 5 (2020))	1 January 2023
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

Management is in the process of making an assessment of the impact of the above new standard, interpretation and amendment to standard but is not yet in a position to state whether they will result in substantial changes to the Group's significant accounting policies and the presentation of its financial statements.

2. CHANGE IN ACCOUNTING POLICIES

The Group has early adopted Amendment to HKFRS 16 COVID-19-Related Rent Concessions retrospectively from 1 April 2020. The amendment provides an optional practical expedient allowing lessees to elect not to assess whether a rent concession related to COVID-19 is a lease modification. Lessees adopting this election may account for qualifying rent concessions in the same way as they would if the rent concessions were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met: i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; ii) any reduction in lease payments affects only payments due on or before 30 June 2021; and iii) there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to all qualifying COVID-19-related rent concessions. Rent concessions of HK\$6,028,000 have been recognised in other gains in the consolidated statement of comprehensive income for the year ended 31 March 2021, with a corresponding adjustment to the lease liabilities. There is no impact on the opening balance of equity at 1 April 2020.

3. REVENUE, OTHER INCOME, OTHER GAINS/(LOSSES), NET AND SEGMENT INFORMATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue		
Sale of goods	381,594	460,966
Contract revenue	40,860	49,470
	<u>422,454</u>	<u>510,436</u>
Timing of revenue recognition:		
— At a point in time	381,594	460,966
— Over time	40,860	49,470
	<u>422,454</u>	<u>510,436</u>

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other income		
Rental income	604	903
Government grants (<i>Note</i>)	780	–
Others	2,327	2,729
	<u>3,711</u>	<u>3,632</u>
Other gains/(losses), net		
Net foreign exchange gain/(loss)		
— Forward contracts	544	(1,491)
— Other exchange gain	162	2,159
Fair value gain/(loss) on investment properties	700	(3,100)
Loss on lease modification	–	(1,647)
Loss on disposal of fixed assets	(3,847)	(31)
COVID-19-related rent concession	6,028	–
	<u>3,587</u>	<u>(4,110)</u>

Note:

Government subsidies of HK\$730,000 were granted from Retail Sector Subsidy Scheme and “One-off Subsidy” for the transport trades under Anti-Epidemic Fund launched by the Government of the Hong Kong SAR. The Group has complied all attached conditions before 31 March 2021 and recognised in the consolidated income statement.

Remaining subsidies of HK\$50,000 granted from The Government of Macau Special Administrative Region’s 10-Billion-Pataca Fund. The Group has complied all attached conditions before 31 March 2021 and recognised in the consolidated income statement.

The executive directors of the Company (the “Executive Directors”) are the Group’s chief operating decision-makers. Management has determined the operating segments based on the information reviewed by the Executive Directors for the purposes of allocating resources and assessing performance.

The Group’s reportable operating segments are as follows:

- Architectural builders’ hardware, bathroom collections and others segment — importing, wholesale and retail of architectural builders’ hardware and bathroom collections and others
- Kitchen collection and furniture segment — designing, importing, wholesale, retail and installation of kitchen collections and furniture

The measurement policies the Group used for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs.

The Executive Directors assess the performance of the operating segments based on the measure of gross profit. Other operating income and expenses are not allocated to the operating segments as the information is not regularly reviewed by the Executive Directors.

Segment assets include all assets but exclude current income tax recoverable, deferred income tax assets, investment properties, cash and cash equivalents, property, plant and equipment related to the office premises of the Group, right-of-use assets and other corporate assets which are managed on central basis and are not directly attributable to the business activities of any operating segment.

Segment liabilities include all liabilities but exclude current and deferred income tax liabilities, borrowings (excluding trust receipt loans), lease liabilities, derivative financial liabilities and other corporate liabilities which are managed on central basis and are not directly attributable to the business activities of any operating segment.

	2021		
	Architectural builders' hardware, bathroom collections and others <i>HK\$'000</i>	Kitchen collection and furniture <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	322,280	100,174	422,454
Reportable segment cost of sales	(207,126)	(56,743)	(263,869)
Reportable segment gross profit	115,154	43,431	158,585
Depreciation of property, plant and equipment	(6,162)	(4,411)	(10,573)
Depreciation of right-of-use assets	(23,592)	(13,949)	(37,541)
Provision for inventory obsolescence	(1,146)	(4,090)	(5,236)
Finance income	172	6	178
Finance costs	(1,192)	(182)	(1,374)
Net impairment losses on financial and contract assets	(85)	(54)	(139)
Reportable segment assets	300,221	84,781	385,002
Additions to non-current segment assets during the year	1,837	2,305	4,142
Reportable segment liabilities	99,752	73,917	173,669

	2020		
	Architectural builders' hardware, bathroom collections and others <i>HK\$'000</i>	Kitchen collection and furniture <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	389,393	121,043	510,436
Reportable segment cost of sales	<u>(217,274)</u>	<u>(86,432)</u>	<u>(303,706)</u>
Reportable segment gross profit	<u>172,119</u>	<u>34,611</u>	<u>206,730</u>
Depreciation of property, plant and equipment	(2,972)	(5,148)	(8,120)
Depreciation of right-of-use assets	(21,395)	(16,293)	(37,688)
Reversal of provision for inventory obsolescence	3,337	2,908	6,245
Finance income	131	5	136
Finance costs	(889)	(409)	(1,298)
Reportable segment assets	298,902	157,320	456,222
Additions to non-current segment assets during the year	13,766	11,084	24,850
Reportable segment liabilities	<u>72,146</u>	<u>123,369</u>	<u>195,515</u>

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Reportable segment gross profit	<u>158,585</u>	<u>206,730</u>
Group gross profit	<u>158,585</u>	<u>206,730</u>
Reportable segment assets	385,002	456,222
Property, plant and equipment	171,510	95,367
Investment properties	32,300	31,600
Right-of-use assets	–	3,863
Deferred income tax assets	7,019	6,458
Current income tax recoverable	3,604	1,400
Cash and cash equivalents	102,964	83,434
Other corporate assets	<u>279</u>	<u>277</u>
Group assets	<u>702,678</u>	<u>678,621</u>

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Reportable segment liabilities	173,669	195,515
Borrowings	44,834	3,450
Current income tax liabilities	2,325	4,642
Derivative financial liabilities	851	807
Deferred income tax liabilities	19,276	19,560
Lease liabilities	–	3,943
Other corporate liabilities	491	527
	<u>241,446</u>	<u>228,444</u>

Geographical information

	Revenue from external customers		Non-current assets (excluding financial assets and deferred income tax assets)	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong (domicile)	409,579	491,928	340,507	272,775
PRC	12,875	18,508	2,825	6,070
	<u>422,454</u>	<u>510,436</u>	<u>343,332</u>	<u>278,845</u>

The geographical location of customers is determined based on the location at which the goods were delivered. The geographical location of the non-current assets is determined based on the physical location of the assets.

During the year ended 31 March 2021, no single customer contributed over 10% of the Group's revenue (2020: 13% from the largest customer).

4. EXPENSES BY NATURE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Employee benefit expenses	64,506	75,151
Government grants (<i>Note</i>)	(7,176)	–
Auditors' remuneration		
— Audit services	1,700	1,980
— Non-audit services	195	185
Cost of inventories	235,633	285,049
Depreciation of property, plant and equipment	16,269	14,313
Depreciation of right-of-use asset	37,541	41,551
Expenses relating to short-term lease	1,283	8,572
Direct operating expenses arising from investment properties that generated rental income	108	105
Provision for/(reversal of provision for) inventory obsolescence	5,236	(6,245)

Note:

Wages subsidies of approximately HK\$7,176,000 were granted from the Hong Kong SAR Government's Employment Support Scheme under Anti-Epidemic Fund for the use of paying wages of employees from June to November 2020.

5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the year. The applicable tax rate for the PRC subsidiaries of the Group is 25% (2020: 25%) for the year.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax		
Hong Kong profits tax		
— current income tax	2,670	7,588
— under provision in prior years	—	86
PRC enterprise income tax		
— current income tax	1	11
	<u>2,671</u>	<u>7,685</u>
Deferred taxation	(845)	(2,622)
	<u>1,826</u>	<u>5,063</u>

6. DIVIDENDS

(a) Dividends declared and paid during the year

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Final dividend in respect of 2020 of HK0.5 cent (2020: in respect of 2019 of HK1.5 cents) per share	3,003	9,009
Interim dividend in respect of 2021 of HK0.5 cent (2020: in respect of 2020 of HK1 cent) per share	3,003	6,006
	<u>6,006</u>	<u>15,015</u>

(b) Dividends for the year

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interim dividend of HK0.5 cent (2020: HK1 cent) per share	3,003	6,006
Proposed final dividend of HK0.5 cent (2020: HK0.5 cent) per share (<i>Note</i>)	3,003	3,003
	<u>6,006</u>	<u>9,009</u>

Note: The proposed final dividend have been proposed by the directors after the reporting date. The proposed final dividend, subject to the shareholders' approval at the forthcoming annual general meeting, is not reflected as dividend payables as at 31 March 2021.

7. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the number of ordinary shares in issue during the year.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit attributable to equity owners of the Company	<u>10,769</u>	<u>11,326</u>
Number of ordinary shares in issue (thousands)	<u>600,600</u>	<u>600,600</u>

(b) Diluted

Diluted earnings per share for the year ended 31 March 2021 is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued (2020: same).

8. TRADE, RETENTION, OTHER RECEIVABLES AND CONTRACT ASSETS

Details of the trade, retention, other receivables and contract assets as at 31 March 2021 are listed below:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	78,356	138,986
Less: provision for impairment of trade receivables	<u>(720)</u>	<u>(626)</u>
	77,636	138,360
Retention receivables	1,161	3,478
Less: provision for impairment of retention receivables	<u>(285)</u>	<u>(252)</u>
	78,512	141,586
Contract assets	4,364	3,629
Less: provision for impairment of contract assets	<u>(39)</u>	<u>–</u>
	82,837	145,215
Other receivables, deposits and prepayments	<u>20,471</u>	<u>18,399</u>
	103,308	163,614
Less: non-current portion		
Retention receivables	(150)	(779)
Deposits and prepayments	<u>(5,724)</u>	<u>(5,384)</u>
Current portion	<u>97,434</u>	<u>157,451</u>

All non-current receivables are due within five years from the end of the respective reporting dates.

The ageing analysis of trade receivables at the reporting date by invoice date is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
1–90 days	47,448	75,183
91–365 days	17,965	50,627
Over 365 days	12,943	13,176
	<u>78,356</u>	<u>138,986</u>

The majority of the Group's sales are with credit terms of 30 to 90 days, while some customers are granted an extended credit period of up to 120 days.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a life time expected loss allowance for all trade and retention receivables and contract assets.

The movement in the provision of impairment for doubtful debts is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Balance at beginning of the year	878	899
Loss allowance for the year	139	–
Exchange difference	27	(21)
Balance at end of the year	<u>1,044</u>	<u>878</u>

As at 31 March 2021, provision of impairment for doubtful debt of HK\$1,044,000 (2020: HK\$878,000) is recognised in respect of customers that were in delinquency of payments, in which the directors are of the opinion that whole outstanding amount is expected not to be recovered.

As at 31 March 2021, the carrying values of trade and other receivables approximate their fair values (2020: same).

9. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	25,115	22,815
Accrued charges and other payables	10,860	11,729
Contract liabilities	42,248	77,189
Other provision	3,800	3,500
	<u>82,023</u>	<u>115,233</u>
Less: non-current portion		
Other provision	(3,800)	(3,500)
	<u>(3,800)</u>	<u>(3,500)</u>
Current portion	<u>78,223</u>	<u>111,733</u>

The ageing analysis of the trade payables at the reporting date by invoice date is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0–90 days	19,612	19,665
91–365 days	2,744	2,567
Over 365 days	2,759	583
	<u>25,115</u>	<u>22,815</u>

As at 31 March 2021, the carrying values of trade and other payables approximate their fair values (2020: same).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the importing, wholesale, retail and installation of architectural builders' hardware, bathroom, kitchen collections and furniture in Hong Kong and the People's Republic of China (the "PRC").

A business review of the Group and an analysis of the Group's performance using financial key performance indicators during the year are provided in the Management Discussion and Analysis. Further details will be provided in the Company's Annual Report 2021. In addition, discussions on the Group's environmental policies and performance and an account of the Group's key relationships with its employees, customers, suppliers and others that have a significant impact on the Group and on which the Group's success depends will be provided in the Environmental, Social and Governance Report of the Annual Report 2021.

Details of the Company's compliance with the code provisions set out in the Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") will be provided in the Corporate Governance Report of the Annual Report 2021. Save as disclosed herein, during the year ended 31 March 2021, the Company has complied with the requirements under the Listing Rules, the Securities and Futures Ordinance and the Cayman Islands Companies Law.

During the year, the coronavirus disease (COVID-19) continued to challenge economies across the world and anti-epidemic measures have become the key of recovery. In Hong Kong, reliefs from the Government and private sectors such as landlords were essential to the gradual, despite uneven, recovery in recent months. The demand for residential flats remained robust while new home completions slowed with an upward trend of mid-sized housing.

The Group acquired a warehouse property at HK\$68.5 million as its self-owned warehouse in order to, among others, secure storage space of goods and improve operation efficiency. Full details of which are set out in the Company's circular dated 24 August 2020. The transaction was completed on 9 October 2020.

REVENUE REVIEW

For the year ended 31 March 2021, the Group's total turnover was HK\$422.5 million, representing a decrease of 17.2% as compared with the previous year.

Revenue by business segment

	Revenue from external customers			As a percentage of sales (%)	
	31 March			31 March	
	2021	2020	Change	2021	2020
	HK\$'000	HK\$'000	(%)		
Architectural builders' hardware, bathroom collections and others	322,280	389,393	(17.2)	76.3	76.3
Kitchen collection and furniture	100,174	121,043	(17.2)	23.7	23.7
	<u>422,454</u>	<u>510,436</u>	<u>(17.2)</u>	<u>100.0</u>	<u>100.0</u>

Profitability by business segment

	Reportable segment gross profit			Gross profit margin (%)	
	2021			2021	
	2021	2020	Change	2021	2020
	HK\$'000	HK\$'000	(%)		
Architectural builders' hardware, bathroom collections and others	115,154	172,119	(33.1)	35.7	44.2
Kitchen collection and furniture	43,431	34,611	25.5	43.4	28.6
	<u>158,585</u>	<u>206,730</u>	<u>(23.3)</u>	<u>37.5</u>	<u>40.5</u>

Revenue from the architectural builders' hardware, bathroom collections and others segment decreased by 17.2% to HK\$322.3 million (2020: HK\$389.4 million) as compared to the previous year. The market was more inclined to products of plain features which lowered our product margin ratio. During the year, we supplied for projects such as 21 Borrett Road, The Henley, Montego Bay and Mount Anderson.

Revenue from the kitchen collection and furniture segment decreased by 17.2% to HK\$100.2 million (2020: HK\$121.0 million) as compared to the previous year. A general improvement in project site progress accelerated our revenue recognition. During the year, we supplied for projects such as Southland.

The overall gross profit of the Group amounted to HK\$158.6 million (2020: HK\$206.7 million), representing a decrease of 23.3% from the previous year. The overall gross profit margin decreased to 37.5% from 40.5% as a result of the lowered gross profit ratio from the architectural builders' hardware, bathroom collections and others segment.

The Group's operating profit was HK\$16.7 million (2020: HK\$22.1 million), representing a decrease of 24.4% from the prior year. The amount of administrative expenses and distribution costs decreased by 19.1% to HK\$149.0 million (2020: HK\$184.1 million) mainly due to rental relief from landlords, employment subsidies from the Government and cost control in staffing and distribution. Government subsidies received by the Group during the year totalled HK\$8.0 million (2020: nil).

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group continues to expand its business in Hong Kong and the PRC while adopting a prudent financial management policy. The current ratio and quick ratio are 2.0 (2020: 2.4) and 1.2 (2020: 1.5), respectively. During the year, we refinanced an expiring term loan to strengthen liquidity and flexibility. In addition, the acquisition of warehouse property was partially funded by a new mortgage loan. The loans entered into during the year totalled HK\$47.1 million. Cash and cash equivalents approximated HK\$103.0 million as at 31 March 2021 (2020: HK\$83.4 million).

Inventories slightly decreased to HK\$142.5 million (2020: HK\$144.9 million). The trade, retention and other receivables decreased to HK\$99.0 million (2020: HK\$160.0 million), while the trade and other payables slightly increased to HK\$36.0 million (2020: HK\$34.5 million).

As at 31 March 2021, the gearing ratio (net debt divided by total equity) of the Group is 7.4%. (2020: 1.1%). The interest-bearing borrowings of the Group increased to HK\$66.6 million (2020: HK\$10.7 million) as at 31 March 2021.

Treasury Policy

Borrowings, cash and cash equivalents are primarily denominated in Hong Kong Dollars ("HK\$") and Euro ("Euro"). During the year, the Group entered into certain forward contracts to buy Euro for settlement of purchases. The management will continue to monitor the foreign exchange risk exposure of the Group.

Contingent Liabilities

We seek to manage our cash flow and capital commitments effectively to ensure that we have sufficient funds to meet our existing and future cash requirements. We have not experienced any difficulties in meeting our obligations as they become due. Assets under charge include mortgaged property acquired. As at 31 March 2021, performance bonds of approximately HK\$37.6 million (2020: HK\$31.7 million) have been issued by the Group to customers as security of contracts. Save for the performance bonds for projects, the Group has no other material financial commitments and contingent liabilities as at 31 March 2021.

FUTURE PROSPECTS

The coronavirus pandemic has now reached almost every country in the world since it started in January 2020. With the slow rolling out of the COVID-19 vaccination globally with some countries yet to start mass vaccination campaign, coupled with people's hesitation, especially in Asia, to accept the vaccines, it would prolong the pandemic-related economic recovery.

In addition, the ever emerging of ever-changing multiple highly infectious variants of mutated coronavirus (alpha, beta, gamma and delta) have quickly become the dominant form of the virus around the world. The recent vaccines' efficacy against these ever-changing coronaviruses continues to cast doubt on any optimistic view of lifting the anti-pandemic border restrictive measures in the leading jurisdictions in July this year. Asia-Pacific is now experiencing a renewed surge in infections, with some countries have reported record increases in daily COVID-19 cases. There is no certainty as to when Hong Kong will be able to re-open the borders for business and tourism any time soon as Hong Kong is one of the slowest progress of getting people vaccinated in Asia. Hong Kong has still a long road ahead to a full economic recovery.

According to the Government's publication, Hong Kong's gross domestic product (GDP) resumed growth of 7.9% in real terms on a year-on-year basis in the first quarter of 2021. With the stimulus effect of rolling out the Government's HKD5,000 consumption voucher programme in August, it is expected that the real GDP growth for 2021 is between 3.5% to 5.5%, while the unemployment rate may remain relatively high at about 6% this year.

Hong Kong is caught in the middle of a political storm between China and the US (and its western allies) as Hong Kong has been a conduit between East and West for trade and economic activities. It will remain an uncertain key political risk factor to business environment that make any medium- and long-term investment decision difficult.

We expect unsettling currency fluctuations due to geopolitical tensions, pandemic-related stimulus measures and corresponding changes in major economies' fiscal and monetary policy. We have kept a close eye on foreign exchange risk exposure to control purchase cost.

In Hong Kong, the residential property market is expected to remain stable to modest increases in the near term given low-interest rates and relatively strong demand. The Government's determination in raising land supply might help citizens accommodate more quickly in the long term. The upward trend of building mid-sized homes shows signs of improvement in living quality. We will continue to grasp the opportunity with reputable developers in providing quality products. The retail industry is expected to remain challenging due to weak consumer sentiment especially in luxury sectors. The impact of the COVID-19 pandemic and geopolitical situations on the Hong Kong residential market has yet to be assessed.

We have been cautiously monitoring external factors in order to manage their impact on our operations. Effects from COVID-19 on supply chain strain such as raw material upsurges and limited logistics availability will likely to continue due to varying pandemic landscape globally. We will closely monitor and swiftly adjust our strategies accordingly.

SUSTAINABLE DEVELOPMENT

Sustainability is embedded in the Group's business operations that create sustainable value with its stakeholders in economic, environmental and social dimensions. The Group has developed a dedicated sustainability policy which directs its operations towards the best practice in areas such as business growth, environmental protection, employment and labour practices, operating practices and community involvement.

Full details of the Environmental, Social and Governance Report will be set out in the Annual Report 2021. The Group's environmental and social policies are highlighted below:

Environment

The Group endeavours to minimise pollution and protect the environment by conserving natural resources, reducing the use of energy and waste. We first implement business activities for which we bear responsibility and address the environmental issue by integrating environment considerations in our business. We create environmental awareness amongst our staff members and whenever possible and practical to do so. We aim to contribute to the sustainable future and be in harmony with the global environment.

Human Resources

As at 31 March 2021, our workforce was recorded at 149 employees (2020: 152).

The Group believes its success, long-term growth and development depend upon the quality, performance and commitment of its staff members. We are committed to providing equal opportunity to our staff, matching the right people with the right job, and offering them a suitable platform to develop and excel in their career. Besides, we keep in mind to treat all staff members fairly and equally. We are committed to the provision of a healthy and safe workplace and encourage the work-life balance of staff members.

Customers

The Group's objective is to become one of the leading quality suppliers of architectural builders' hardware, bathroom, kitchen collections and furniture. Our goal is to enhance the brand value of the Group by managing customers' expectation of getting products that commensurate with their lifestyles. We strive to provide quality products and services to fulfil customers' needs; and to establish the brand and reputation of our Group for customers' recognition of our ability to serve them with two fundamental qualities, "sincerity" and "quality", which would enable us to build customer loyalty, allowing us to establish strong customer relationships for future businesses.

Suppliers

We pay attention to the operating practices of our suppliers (including but not limited to employment practices, product responsibility, anti-corruption policy). We regularly review their production capacity, technical capability, quality control systems and personnel quality. In selecting installation sub-contractors, we consider a range of factors such as price, past performance, the scale of project, technical competence, environmental records, workplace health and safety standards.

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to protect and promote the interests of its shareholders properly.

Full details of the Corporate Governance Report will be set out in the 2021 Annual Report of the Company.

COMPLIANCE OF CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with all the code provisions in the Code of Corporate Governance as set out in Appendix 14 of the Listing Rules throughout the year ended 31 March 2021, except for the following:

Under the code provision A.6.7, independent non-executive Directors should attend general meetings of the Company. An independent non-executive Director was unable to attend the annual general meeting of the Company held on 8 September 2020 due to other engagement.

Under the code provision C.2.5, the Company should have an internal audit function. Given the current scale of operations, the Company does not have an internal audit department. The Board is directly responsible for risk management and internal control systems of the Group and for the review of its effectiveness. The Board will continue to review, at least annually, this arrangement going forward in light of the evolving needs of the Group.

COMPLIANCE OF MODEL CODE FOR SECURITIES TRANSACTIONS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, the Directors confirmed compliance with the required standard set out in the Model Code throughout the year ended 31 March 2021.

DIVIDEND

The Board declared and paid an interim dividend of HK0.5 cent per share for the six months ended 30 September 2020 (for the six months ended 30 September 2019: HK1 cent per share), totalling HK\$3,003,000 (for the six months ended 30 September 2019: HK\$6,006,000).

The Board has resolved to recommend, at the forthcoming Annual General Meeting (the “AGM”) to be held on 8 September 2021, a final dividend of HK0.5 cent per share for the year ended 31 March 2021 (for the year ended 31 March 2020: HK0.5 cent per share) (the “Final Dividend”), totalling HK\$3,003,000 (for the year ended 31 March 2020: HK\$3,003,000).

If it is duly approved by the members at the AGM, the Final Dividend will be distributed to members, whose names appear on the principal or branch register of members of the Company in the Cayman Islands or Hong Kong respectively (collectively the “Register of Members”) as at the close of business on 16 September 2021. The payment will be made on 13 October 2021.

ANNUAL GENERAL MEETING

The AGM will be held on 8 September 2021. Notice of the AGM will be published and despatched to shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed as follows:

- (a) For the purpose of determining shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from 3 September 2021 to 8 September 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the right to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 2 September 2021.
- (b) For the purpose of determining shareholders who qualify for the Final Dividend, the register of members of the Company will be closed from 15 September 2021 to 16 September 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Final Dividend, all transfer forms accompanied by the relevant share certificates must be lodged with Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 14 September 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company had not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the year.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. WAN Sze Chung (Chairman), Mr. WONG Wah, Dominic and Dr. LUK Wang Kwong. The Audit Committee has reviewed, with the management, the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal controls, financial reporting matters including a review of the consolidated financial statements for the year ended 31 March 2021.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PUBLICATION OF FINANCIAL INFORMATION

This result announcement is published on the websites of the Company (www.ebon.com.hk) and The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>). The Company's Annual Report 2021 will be despatched to the shareholders and available on the same websites in due course.

By Order of the Board
TSE Sun Fat, Henry
Chairman

Hong Kong, 29 June 2021

Website: www.ebon.com.hk

As at the date of this announcement, the Board of Directors comprises eight Directors, of which five are executive Directors, namely Mr. TSE Sun Fat, Henry, Mr. TSE Sun Wai, Albert, Mr. TSE Sun Po, Tony, Mr. TSE Hon Kit, Kevin and Mr. LAU Shiu Sun and three are independent non-executive Directors, namely Mr. WONG Wah, Dominic, Mr. WAN Sze Chung and Dr. LUK Wang Kwong.