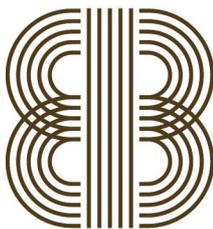


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E. BON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
怡邦行控股有限公司

(Stock Code: 599)

CONTINUING CONNECTED TRANSACTION

Further to our Announcement dated 26 November 2012 in which it was reported that the Group had made a total purchase of ironmongeries such as hinges and locks in a sum of more than HK\$10 million from a vendor in Dongguan, Guangdong, China known as Argo Corporation Limited ('Argo') in the prior years and such purchase is considered as continuing connected transactions under Chapter 14A because Mr. Yik Kai Kwong, Benny, the owner of Argo, is the brother of Mr. Yick Kai Chung, an executive director of the Company, and therefore Argo is a connected person to the Group in the transaction.

The Group will continue the sourcing of ironmongeries from Argo with the estimated total purchase from Argo around HK\$10 million for the financial year ending 31 March 2013. The Transactions do not fall within the scope of exemptions (*de minimis transactions* provisions) under Listing Rule 14A.33(3), nevertheless it is within the ambit of Rule 14A.34(1), therefore, it is only subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47 and it is exempted from the independent shareholders' approval requirements.

INTRODUCTION

PAST CONTINUING CONNECTED TRANSACTIONS

As stated in the Announcement dated 26 November 2012 in respect of the past continuing connected transactions (the 'Transactions'), the Company's wholly owned Hong Kong subsidiaries, H2O (PRO) Limited and Techpro Trading Limited had made a purchase of ironmongeries such as hinges and locks, in the sum HK\$8,498,129.90 from a vendor in Dongguan known as Argo Corporation Limited ('Argo') in the financial year ended on 31 March 2012 as compared to HK\$4,277,176.00 in the financial year ended on 31 March 2011; and the Company's wholly owned subsidiaries in Shanghai, namely Shanghai Tech Pro International Trading Company Limited and Shanghai Tech Pro Interior Decoration Company Limited, made a purchase of ironmongeries in the sum of HK\$3,875,488.51 from Argo in the financial year ended on 31 March 2012 as compared to HK\$1,045,035.40 for the financial year ended on 31 March 2011. This means that the Group had made a total purchase in a sum of HK\$12,373,618.41 (HK\$8,498,129.90 + HK\$3,875,488.51) from Argo for the financial year ended 31 March 2012.

It is further noted that the Group had made a total purchase in the sum of HK\$4,279,248.00 from Argo from 1 April 2012 to 31 October 2012.

Argo was at all material times and still is wholly owned by Mr. Yik Kai Kwong, Benny who is the brother of Mr. Yick Kai Chung, an executive director of the Company. It was thought that the purchases from Argo were to fill in the mid and lower-range price market.

It is a connected transaction under Listing Rule 14A.13 and it is subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47 and the independent shareholders' approval requirements.

As soon as the Transactions came to the attention of the Board, the Board sought an independent view of the Independent Non-executive Directors which opined that these purchases from Argo were made on terms no less favourable to the Company than terms available to or from other independent third parties and its gross profit margin is similar to those sourced from other vendors and that Mr. Yick Kai Chung had no influence whatsoever in respect of the Argo purchases which were made purely on commercial reasons to fill the niche of the market and the doubling of purchase from previous year suggested a high demand for their products. Having obtained from the approval of independent shareholders which held over 50% of the total outstanding share capital of the Company to ratify confirm and approve the above-mentioned past Transactions with an annual cap limit up to HK\$15 million for the financial year ended 31 March 2012, the Board held a meeting on 19 November 2012 approving the same.

THE CONTINUING CONNECTED TRANSACTIONS

Mr. Yick Kai Chung, has decided not to make himself available for re-election in the forthcoming annual general meeting of the Company, nevertheless, Listing Rule 14A.11(2) defines a connected person as any person who was a director of the listed issuer within the preceding 12 months and therefore the continuing of purchases from Argo still remains as connected transactions until 24 January 2014 (12 months from the date he ceased to be an executive director of the Company).

Mr. Yick Kai Chung and his brother Mr. Yik Kai Yiu hold a total number of 11,481,651 shares of the Company or 3.82% shareholdings (i.e. less than 5% threshold requirement) in the Company (Mr. Yick Kai Chung 7,899,675 Shares and Mr. Yik Kai Yiu 3,581,976 Shares).

The Reasons for Continuing Connected Transactions

The Company has revealed the situations and considered that it is beneficial to continue the on-going sourcing of ironmongeries from Argo on normal commercial terms with the estimated purchase around HK\$10 million for the year ending 31 December 2013.

Argo has agreed to offer and the Company has agreed to accept that (1) the purchase prices of Argo's ironmongery would be 5% less than its published listed prices, (2) there is no minimum purchase requirement; (3) with the payment term for 30 days, up until January 2014.

The Recommendation of the Board of Directors

Having reviewed the business with Argo regarding its product potential in our market, the Board of Directors, in a board meeting held on 15 December 2012, opined that nothing come to their attention that cause them to believe that the transactions were not entered into, in all material respects, in accordance with the pricing policies of the Company and the relevant agreements governing such transactions.

The Recommendation of the Independent Non-Executive Directors

On a board meeting of the Independent Non-Executive Directors on 15 December 2012, the Independent Non-executive Directors have come to agree with the views expressed by the Board that the Transactions are entered into in the ordinary and usual course of business of the Group and on normal commercial terms or on terms no more favourable than terms available to independent third parties; and that the Transactions are fair and reasonable and in the interests of the shareholders of the Company as a whole. They have unanimously recommended that the Continuing Connected Transaction be continued subject to the full compliance with the Listing Rules.

LISTING RULES IMPLICATION

It is a connected transaction under Listing Rule 14A.13 because Mr. Yik Kai Kwong, Benny, the owner of the manufacture Argo, is a brother of Mr. Yick Kai Chung, an executive director of the Company. As the connected transaction does not fall within the scope of exemptions (*de minimis transactions* provisions) under Listing Rules 14A.33(3), nevertheless, it is within the scope of Rule 14A.34(1) as the relevant ratios are less than 5% , therefore, it is only subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47 and it is exempt from independent shareholders' approval requirements.

Should the situation be changed in future, the Company will comply with the relevant listing rules and make further announcement accordingly.

Definition:

“Argo”	<i>means</i>	Argo Corporation Limited;
“Board”	<i>means</i>	the board of directors;
“Company”	<i>means</i>	E. Bon Holdings Limited;
“Group”	<i>means</i>	the Company and its subsidiaries;
“Independent Shareholders’ approval”	<i>means</i>	as defined in Listing Rule 14A18; and
“Listing Rules”	<i>means</i>	the Listing Rules of The Stock Exchange of Hong Kong Limited.

By Order of the Board
E. Bon Holdings Limited
TSE Sun Fat, Henry
Chairman

Hong Kong, 19 December 2012

As at the date hereof, the Board of Directors comprises nine Directors, of which six are Executive Directors, namely Messrs. TSE Sun Fat, Henry, TSE Sun Wai, Albert, TSE Sun Po, Tony, TSE Hon Kit, Kevin, LAU Shiu Sun and YICK Kai Chung and three are Independent Non-executive Directors, namely Messrs. LEUNG Kwong Kin, J.P., WONG Wah, Dominic and WAN Sze Chung.