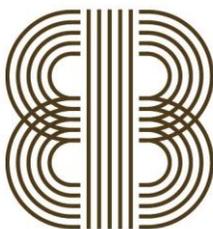


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E. BON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
怡邦行控股有限公司

(Stock Code: 599)

CONTINUING CONNECTED TRANSACTION

Reference is made to the announcements of the Company dated 26 November 2012 and 19 December 2012 in relation to, among other things, the continuing connected transactions under Chapter 14A of Listing Rules between the Group and Argo.

As Argo is owned by Mr. Yik Kai Kwong, Benny, the brother of Mr. Yick Kai Chung, a former executive director of the Company within the preceding 12 months, and therefore Argo is a connected person to the Group in the transaction under Chapter 14A of Listing Rules.

The Board is pleased to announce that in a board meeting on 21 August 2013, the Board has resolved to set the annual cap for the financial year ending 31 March 2014 be less than HK\$10 million. 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 Listing Rules 14A.34(1) and 14A.34(2), therefore, it is only subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47, the annual review requirements set out in Listing Rules 14A.37 to 14A.40 and the requirements set out in Listing Rules 14A.35(1) and 14A.35(2). It is exempt 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 Group had made a purchase of ironmongeries such as hinges and locks, in the sum HK\$12,373,618 from a vendor in Dongguan known as Argo Corporation Limited ('Argo') in the financial year ended 31 March 2012.

It was further announced in the Announcement dated 19 December 2012 that the Group had made a total purchase in the sum of HK\$4,279,248 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, a former executive director of the Company. It was thought that the purchases from Argo were to fill in the mid and lower-range price market. Mr. Yick retired as an executive director on 24 January 2013.

It is a continuing connected transaction under Listing Rules 14A.13 and 14A.14 and it is subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47, the independent shareholders' approval requirements as set out in Listing Rule 14A.48 and annual review requirements as set out in Listing Rules 14A.37 to 14A.40.

As soon as the Transactions had come to the attention of the Board, the Board had sought an independent view of the Independent Non-executive Directors which had opined that these purchases from Argo had been made on terms no less favourable to the Company than terms available to or from other independent third parties and its gross profit margin was similar to those sourced from other vendors and that Mr. Yick Kai Chung had no influence whatsoever in respect of the Argo purchases which had been 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 Group incurred a total purchase from Argo totalling HK\$10,934,000 for the year ended 31 March 2013.

THE CONTINUING CONNECTED TRANSACTIONS

Mr. Yick Kai Chung retired as an executive director of the Company on 24 January 2013, 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 continuing 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).

Save as disclosed herein, the Board has not been notified of any directors of the Company having a material interest in the Transactions.

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 less than HK\$10 million for the year ending 31 March 2014.

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 31 March 2014.

The Recommendation of the Board of Directors

It should be stressed that the Company had obtained the support and approval of more than 50% of independent shareholders after they had been duly briefed on the matter. Details of the Approval was set out in the announcement dated 19 December 2012.

Having reviewed the business with Argo regarding its product potential in our market, the Board of Directors, in a board meeting held on 21 August 2013, opined that while 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 Board opted to limit purchases from Argo to HK\$10 million for the year ending 31 March 2014.

The Recommendation of the Independent Non-executive Directors

On a board meeting of the Independent Non-executive Directors on 21 August 2013, 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 also agreed with the Board regarding the limit set by the Board. They have unanimously recommended that the Continuing Connected Transaction be continued subject to the full compliance with Listing Rules.

LISTING RULES IMPLICATION

It is a continuing connected transaction under Listing Rules 14A.13 and 14A.14 because Mr. Yik Kai Kwong, Benny, the owner of Argo, is a brother of Mr. Yick Kai Chung, a former executive director of the Company. As the continuing 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 Listing Rule 14A.34 as the relevant ratios are less than 5% (14A.34(1) or less than 25% and the annual consideration is less than HK\$10,000,000 (14A.34(2)), therefore, it is only subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47, the annual review requirements set out in Listing Rules 14A.37 to 14A.40 and the requirements set out in Listing Rules 14A.35(1) and 14A.35(2). 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.

INFORMATION ON THE COMPANY AND THE VENDOR

The principal business activity of the Company is investment holding. Its subsidiaries are principally engaged in the importing and sale of architectural builders hardware, bathroom and kitchen collections and furniture in Hong Kong and the provision of construction service for property developers in the People's Republic of China.

The vendor is a manufacturer of architectural builders hardware and bathroom accessories.

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 Rules 14A.18 and 14A.19; 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, 21 August 2013

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