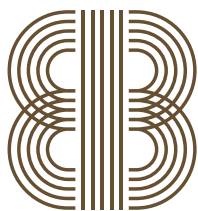


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E. BON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

怡邦行控股有限公司

(Stock Code: 599)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

The Board of Directors (the “Board”) of E. Bon Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30 September 2014 (the “period”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

		Unaudited	
		Six months ended	
		30 September	
		2014	2013
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	269,551	224,827
Cost of sales		<u>(180,141)</u>	<u>(133,949)</u>
Gross profit		89,410	90,878
Other income		710	549
Distribution costs		(41,873)	(44,014)
Administrative expenses		<u>(30,774)</u>	<u>(32,356)</u>
Operating profit		17,473	15,057
Finance costs, net		<u>(691)</u>	<u>(911)</u>
Profit before income tax	5	16,782	14,146
Income tax expense	6	<u>(3,505)</u>	<u>(3,300)</u>
Profit for the period attributable to equity holders of the Company		<u>13,277</u>	<u>10,846</u>

		Unaudited	
		Six months ended	
		30 September	
		2014	2013
	<i>Notes</i>	HK\$'000	HK\$'000
Other comprehensive income			
<i>Item that may be reclassified to profit or loss</i>			
Exchange gain/(loss) on translation of financial statements of foreign operations		42	(263)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Deficit on revaluation of properties held for own use		–	(924)
Tax effect relating to the revaluation		–	(230)
		<hr/>	<hr/>
Other comprehensive income/(loss) for the period, net of tax		42	(1,417)
		<hr/>	<hr/>
Total comprehensive income for the period, net of tax		13,319	9,429
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share for profit attributable to equity holders of the Company			
– Basic and diluted	8	HK4.4 cents	HK3.6 cents
		<hr/> <hr/>	<hr/> <hr/>
Dividends	7	6,006	3,003
		<hr/> <hr/>	<hr/> <hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	Unaudited	Audited
	30 September	31 March
	2014	2014
<i>Notes</i>	HK\$'000	HK\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	156,576	160,306
Deferred income tax assets	4,267	4,267
Trade, retention and other receivables	20,699	17,186
	181,542	181,759
Current assets		
Inventories	163,071	166,593
Current income tax recoverable	1,719	3,709
Trade, retention and other receivables	115,153	103,005
Restricted cash	2,867	3,978
Cash and cash equivalents	63,739	47,860
	346,549	325,145
Total assets	528,091	506,904
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	30,030	30,030
Reserves	300,928	293,615
Total equity	330,958	323,645
LIABILITIES		
Current liabilities		
Trade and other payables	44,535	44,727
Dividend payable	6,006	–
Receipts in advance	67,519	48,494
Borrowings	56,881	68,017
Current income tax liabilities	4,983	4,812
	179,924	166,050
Non-current liabilities		
Deferred income tax liabilities	17,209	17,209
Total liabilities	197,133	183,259
Total equity and liabilities	528,091	506,904
Net current assets	166,625	159,095
Total assets less current liabilities	348,167	340,854

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements (“interim financial statements”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

1.1 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2014, as described in those annual financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)-Int 21	Levies

The adoption of these amendments and interpretations had no material financial impact on the Group’s results and financial position for the current and prior accounting periods.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

2. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2014.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk.

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2014.

There have been no changes in the risk management controls or in any risk management policies since the year end.

3.2 Liquidity risk

Compared to year end, there has been no material change in the contractual undiscounted cash out flows for financial liabilities.

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the importing and sale of architectural builders hardware, bathroom, kitchen collections and furniture in Hong Kong and the People's Republic of China (the "PRC") and the provision of construction services for property developers in the PRC. Revenue recognised is as follows:

	Unaudited	
	Six months ended	
	30 September	
	2014	2013
	HK\$'000	HK\$'000
Revenue – sale of goods	269,551	222,743
Revenue – sale of services	–	2,084
	<u>269,551</u>	<u>224,827</u>

Primary reporting format – business segments

The Group is primarily engaged in three main business segments:

Wholesale	importing and wholesale of architectural builders hardware, bathroom, kitchen collections and furniture to contractors, property developers and dealers.
Retail	importing and sale of architectural builders hardware, bathroom, kitchen collections and furniture through the Group's retail outlets.
Interior decoration	revenue from the provision of interior decoration and construction services primarily in the PRC.

Unaudited
Six months ended 30 September 2014

	Wholesale <i>HK\$'000</i>	Retail <i>HK\$'000</i>	Interior decoration <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	<u>214,632</u>	<u>54,919</u>	<u>–</u>	<u>269,551</u>
Reportable segment profit/(loss)	<u>15,935</u>	<u>5,459</u>	<u>(1,865)</u>	<u>19,529</u>

Unaudited
As at 30 September 2014

	Wholesale <i>HK\$'000</i>	Retail <i>HK\$'000</i>	Interior decoration <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	<u>248,058</u>	<u>68,946</u>	<u>10,128</u>	<u>327,132</u>
Reportable segment liabilities	<u>27,473</u>	<u>44,915</u>	<u>9,128</u>	<u>81,516</u>

Unaudited
Six months ended 30 September 2013

	Wholesale <i>HK\$'000</i>	Retail <i>HK\$'000</i>	Interior decoration <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	<u>170,611</u>	<u>52,132</u>	<u>2,084</u>	<u>224,827</u>
Reportable segment profit/(loss)	<u>9,466</u>	<u>8,758</u>	<u>(546)</u>	<u>17,678</u>

Audited
As at 31 March 2014

	Wholesale <i>HK\$'000</i>	Retail <i>HK\$'000</i>	Interior decoration <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	<u>231,647</u>	<u>70,982</u>	<u>13,289</u>	<u>315,918</u>
Reportable segment liabilities	<u>43,443</u>	<u>39,095</u>	<u>9,133</u>	<u>91,671</u>

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

	Unaudited			
	Six months ended			
	30 September			
	2014	2013		
	<i>HK\$'000</i>	<i>HK\$'000</i>		
Total reportable segment profit	19,529	17,678		
Unallocated corporate income	163	390		
Unallocated corporate expenses	(2,219)	(3,011)		
Finance costs, net	(691)	(911)		
	<u>16,782</u>	<u>14,146</u>		
Profit before income tax	<u>16,782</u>	<u>14,146</u>		
	Unaudited	Audited		
	As at	As at		
	30 September	31 March		
	2014	2014		
	<i>HK\$'000</i>	<i>HK\$'000</i>		
Reportable segment assets	327,132	315,918		
Deferred income tax assets	4,267	4,267		
Other corporate assets	196,692	186,719		
	<u>528,091</u>	<u>506,904</u>		
Group assets	<u>528,091</u>	<u>506,904</u>		
	Unaudited	Audited		
	As at	As at		
	30 September	31 March		
	2014	2014		
	<i>HK\$'000</i>	<i>HK\$'000</i>		
Reportable segment liabilities	81,516	91,671		
Deferred income tax liabilities	17,209	17,209		
Borrowings	56,881	68,017		
Other corporate liabilities	41,527	6,362		
	<u>197,133</u>	<u>183,259</u>		
Group liabilities	<u>197,133</u>	<u>183,259</u>		
Geographical information				
	Revenue from external customers		Non-current assets	
	Unaudited		Unaudited	Audited
	Six months ended		As at	As at
	30 September		30 September	31 March
	2014	2013	2014	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong (domicile)	255,983	211,786	175,849	173,486
Mainland China	13,316	13,041	5,288	7,863
Singapore	252	–	405	410
	<u>269,551</u>	<u>224,827</u>	<u>181,542</u>	<u>181,759</u>
Total	<u>269,551</u>	<u>224,827</u>	<u>181,542</u>	<u>181,759</u>

5. EXPENSES BY NATURE

	Unaudited	
	Six months ended	
	30 September	
	2014	2013
	HK\$'000	HK\$'000
Cost of inventories	171,486	130,658
Auditors' remuneration	1,000	1,000
Depreciation of property, plant and equipment	5,898	6,235
Operating lease payments in respect of premises	23,291	25,930
Loss on disposal of property, plant and equipment	51	–
Provision for slow-moving inventories, included in cost of inventories	2,297	497
Staff costs, including directors' emoluments	24,883	23,972
	<u>24,883</u>	<u>23,972</u>

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The charge comprises:

	Unaudited	
	Six months ended	
	30 September	
	2014	2013
	HK\$'000	HK\$'000
Current tax		
Hong Kong profits tax	3,356	3,120
PRC Corporate income tax	149	180
	<u>3,505</u>	<u>3,300</u>
Deferred tax	<u>–</u>	<u>–</u>
Tax expense for the period	<u>3,505</u>	<u>3,300</u>

7. DIVIDEND

The Board has declared the payment of an interim dividend of HK2 cents (2013: HK1 cent).

	Unaudited	
	Six months ended	
	30 September	
	2014	2013
	HK\$'000	HK\$'000
Interim dividend of HK2 cents (2013: HK1 cent) per share	<u>6,006</u>	<u>3,003</u>

At a board meeting held on 25 November 2014, the Board has declared the payment of an interim dividend of HK2 cents (30 September 2013: HK1 cent) per ordinary share. Such interim dividends are not reflected as dividend payables in the Group's interim financial information for the period.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the period of HK\$13,277,000 (six months ended 30 September 2013: HK\$10,846,000) and the 300,300,000 ordinary shares (30 September 2013: 300,300,000 ordinary shares) in issue during the period. Diluted earnings per share for the period is the same as the basic earnings per share as the Company had no potentially dilutive ordinary shares in issue during the period. (Diluted earnings per share for the period ended 30 September 2013 is the same as the basic earnings per share as the conversion of potential dilutive ordinary shares in relation to the share options issued by the Company would have an anti-dilutive effect to the basic earnings per share).

9. CAPITAL EXPENDITURE AND DISPOSAL

During the period, the Group incurred capital expenditure of approximately HK\$2,175,000 for property, plant and equipment (six months ended 30 September 2013: HK\$1,527,000). During the period, the Group disposed of certain furniture, fixtures and equipment at a consideration of HK\$400,000, which approximately to its carrying value upon disposal, to independent third parties (six months ended 30 September 2013: disposed of certain leasehold land and buildings of HK\$3,044,000).

10. TRADE RECEIVABLES

Included in the balance are trade receivables, net of provision, with the following ageing analysis:

	0-90 days HK\$'000	91-180 days HK\$'000	181-270 days HK\$'000	271-365 days HK\$'000	Over 365 days HK\$'000	Total HK\$'000
Balance at 30 September 2014	<u>70,895</u>	<u>22,072</u>	<u>655</u>	<u>412</u>	<u>8,402</u>	<u>102,436</u>
Balance at 31 March 2014	<u>59,112</u>	<u>7,530</u>	<u>3,392</u>	<u>4,220</u>	<u>6,522</u>	<u>80,776</u>

The majority of the Group's sales are with credit terms of 30 to 90 days. In some cases, customers may be granted an extended credit period of up to 120 days. Certain balances over 90 days are on letter of credit or document against payment.

11. TRADE PAYABLES

Included in the balance are trade payables with the following ageing analysis:

	0-90 days HK\$'000	91-180 days HK\$'000	181-270 days HK\$'000	271-365 days HK\$'000	Over 365 days HK\$'000	Total HK\$'000
Balance at 30 September 2014	<u>38,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>38,783</u>
Balance at 31 March 2014	<u>35,556</u>	<u>85</u>	<u>9</u>	<u>74</u>	<u>49</u>	<u>35,773</u>

INTERIM DIVIDEND

The Board of Directors has declared the payment of an interim dividend of HK2 cents per share to be paid on Wednesday, 14 January 2015 for members whose names appear on the principal or branch register of the Company in the Cayman Islands or Hong Kong respectively (collectively the “Register of Members”) as at the close of business of Monday, 22 December 2014.

CLOSURE OF REGISTER OF MEMBERS

The Company’s Register of Members will be closed from Thursday, 18 December 2014 to Monday, 22 December 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrars in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on Wednesday, 17 December 2014.

REVIEW OF OPERATIONS

BUSINESS REVIEW

The Group engages in the wholesale and retail of architectural builder hardware, bathroom, kitchen collections and furniture in Hong Kong and the PRC.

During the six months ended 30 September 2014, we noted a slight growth in sales volume with diminishing profit margin. Together with our continuous effort to restructure existing resources, we have managed to lower our operating cost to maintain profitability.

This six-month period marks the beginning of the Federal Reserve’s commitment to tightening the US monetary policy; the property market in Hong Kong has yet to respond and adjust to both the change of US monetary policy that might lead to the increase of interest rate and the Hong Kong Government’s cooling measures; impacting to sales volume of residential units even though the prices of secondary residential market and of new building projects remains relatively stable and the land price is escalating. The recent upward trend of property developments in Hong Kong has significantly contributed to project sales. We have managed to cater for and meet with the demand with high quality products.

While the retail market has gently improved, the Group has continued to manage and control our operation efficiently in order to reduce the impact of inflation on our operation cost.

In the PRC, market-curbing policies were relaxed to stabilise the market. In addition to commercial properties, world-class home fittings have also been adopted in residential property projects in first-tier cities.

REVENUE REVIEW

For the six months ended 30 September 2014, the Group's total turnover was HK\$269.6 million which was increased by 19.9% as compared with the previous first half yearly period.

	Revenue from external customers			As a percentage of sales (%)	
	Unaudited 30 September			30 September	
	2014	2013	Change	2014	2013
	HK\$'000	HK\$'000	(%)		
Hong Kong (domicile)	255,983	211,786	20.9	95.0	94.2
Mainland China	13,316	13,041	2.1	4.9	5.8
Singapore	252	–	100.0	0.1	–
Total	<u>269,551</u>	<u>224,827</u>	19.9	<u>100.0</u>	<u>100.0</u>

	Reportable segment revenue from external customers			As a percentage of sales (%)	
	Unaudited 30 September			30 September	
	2014	2013	Change	2014	2013
	HK\$'000	HK\$'000	(%)		
Wholesale	<u>214,632</u>	<u>170,611</u>	25.8	<u>79.6</u>	<u>75.9</u>

Our project supplies grew along with the rising home completion rates. The popularity of smaller flats in new projects has expanded the volume of fittings supplied. Luxuriously fitted homes have become a custom in new residential projects which create the demand for world-class bathroom and kitchen fittings. We have been able to meet with these demands with quality products. The Group's wholesale segment was increased by 25.8% to HK\$214.6 million. During the period, we supplied to property development projects such as 8 LaSalle, Mount Vert, The Wings IIIA and Double Cove Starview Prime.

	Reportable segment revenue from external customers			As a percentage of sales (%)	
	Unaudited			30 September	
	30 September				
	2014	2013	Change	2014	2013
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>(%)</i>			
Retail	<u>54,919</u>	<u>52,132</u>	5.3	<u>20.4</u>	<u>23.2</u>

The retail market remained steady and we recorded a moderate growth of 5.3%. In view of market competition, we provided promotional offers to attract retail customers.

The senior management has expressed a cautiously optimistic view that we would be able to achieve a marginal growth in our total turnover at the end of this fiscal year as compared with the year of 2013.

PROFITABILITY REVIEW

	Reportable segment profit			As a percentage of sales (%)	
	Unaudited			30 September	
	30 September				
	2014	2013	Change	2014	2013
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>(%)</i>			
Wholesale	15,935	9,466	68.3	5.9	4.2
Retail	5,459	8,758	(37.7)	2.0	3.9
Interior decoration	<u>(1,865)</u>	<u>(546)</u>	(241.6)	<u>(0.7)</u>	<u>(0.2)</u>
Total	<u>19,529</u>	<u>17,678</u>	10.5	<u>7.2</u>	<u>7.9</u>

The Group's operating profit was HK\$17.5 million (six months ended 30 September 2013: HK\$15.1 million) and recorded a profit after tax of HK\$13.3 million (six months ended 30 September 2013: HK\$10.8 million), which was respectively increased by 16.0% and 22.4% as compared to the previous period.

The change of product mix proportion has affected the gross profit (GP) margin. The GP margin was 33.2% (six months ended 30 September 2013: 40.4%). During the period, the project supply of builders hardware and sanitary fittings made up a major contribution to the sales growth; their nature of lower GP affected the overall margin.

The retail segment has slightly improved in terms of sales volume. Nevertheless, we experienced a decline in profit due to competition and to promotional campaigns offered during this period.

The implementation of the principle of maintaining efficiency in controlling the administrative and operational costs has reduced the impact of inflation. The total of distribution costs and administrative expenses amounted to HK\$72.6 million, a decrease by 4.9% as compared to the previous period. The Group has benefited from the weak Euro in purchases and recorded a gain in exchange of HK\$0.7 million during the period. In addition, the management has made an inventory provision amounted to HK\$2.3 million. The net profit margin was 4.9% (six months ended 30 September 2013: 6.3%).

BALANCE SHEET AND CASH FLOW REVIEW

The Group continues to expand its business in Hong Kong and the PRC through the adoption of a prudent financial management policy. The current ratio and quick ratio are 1.9 (31 March 2014: 2.0) and 1.0 (31 March 2014: 1.0) respectively, while cash and cash equivalents approximated HK\$63.7 million (31 March 2014: HK\$47.9 million) as at 30 September 2014.

As a result of expansion in project sales, the trade, retention and other receivables increased by 11.8% to HK\$115.2 million accordingly.

The Group's gearing ratio (the ratio is calculated as net debt divided by total capital) decreased to 2.1% at 30 September 2014 (31 March 2014: 5.9%). The interest-bearing borrowings of the Group, including bills payable and trust receipt loans, reduced to HK\$56.9 million (31 March 2014: HK\$68.0 million) as at 30 September 2014.

Borrowings and cash and cash equivalents are primarily denominated in Hong Kong Dollars ("HK\$") and Euro. The management will continue to monitor the foreign exchange risk exposure of the Group.

We seek to effectively manage our cash flow and capital commitments to ensure that we have sufficient funds to meet with our existing and future cash requirements. We have not had experienced and do not expect to have any difficulties in meeting our obligations as and when they become due. Assets under charge are the mortgaged property acquired and certain bank deposits. As at 30 September 2014, performance bonds of approximately HK\$10,907,000 (31 March 2014: HK\$7,634,000) have been issued by the Group to customers as security of contracts. Of which, restricted cash of HK\$2,867,000 (31 March 2014: HK\$3,978,000) was held as security for performance bond of the same amount. Save for the rental commitment of our retail outlets and warehouses and performance bonds for projects, the Group has no other material commitment as at 30 September 2014. As at 30 September 2014, the Group did not have any contingent liabilities.

FUTURE PROSPECTS

In Hong Kong, as the supply of residential units is on the rise, more housing developments are now reaching the phase of interior fittings. New MTR lines, urban renewals and suburb developments are responding to the demand for home ownership. Compared to previous years, smaller flats are more common in the primary market which allows us to supply the buyers in larger volumes. In view of the value of residential properties, citizens do concern the quality of materials installed in their flats and developers require higher standard of products as well as after-sale services.

Inflation is expected to continue and we foresee a rise in rent and staff cost. Nevertheless, we value the importance of retail shops and showrooms as our product display channels. The management will keep an eye on spending, continue to make use of the shops for showcases and cross-selling and broaden sales network.

In the PRC, the economic policies are to stabilise the future growth and development of its economy. As urban renewal projects in major cities and new tourist spots developments are due to complete, coupling with the rising demand for high quality products in living spaces, the market for deluxe products will remain relatively stable. We will try to capitalise our relationship with well-established developers and strength in supplying quality goods to increase our presence in the PRC.

While enhancing our strength, we shall remain vigilant to external factors in order to stay competitive. Our operation is largely affected by the Government's policies and pricing pressure in the market. Any political or financial events in Hong Kong may have impact on property and retail markets. We will monitor various market trends and refine our strategies where appropriate.

SUSTAINABLE DEVELOPMENT

The Groups believes that our goal and achievement is built on the continuous enhancement of Customer Value. We concern quality products and services in order to fulfil customers' needs. Gaining the reputation of "sincerity" and "quality" rewards loyalty which will enable us to establish a strong relationship with customers.

Human Resources

As at 30 September 2014, our workforce was recorded at 178 employees (31 March 2014: 181).

The Group believes its success, long-term growth and development depend upon the quality, performance and commitment of its staff members. Competitive packages are offered to attract, retain and motivate capable and skilled employees. In addition, the Group provides employee benefits such as subsidised medical scheme and travel allowance. The Group supports the staff's family life by providing paternity leave and children's scholarship.

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 Practice (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 September 2014, with the exception of the following deviation:

Under the code provision A.1.8, the Company should arrange appropriate insurance cover in respect of legal action against its directors. Currently, no insurance cover has been arranged for directors since the directors take the view that the Company shall support Directors in any events arising from corporate activities.

COMPLIANCE OF MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transaction 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 the directors, all directors have confirmed compliance with the required standard as set out in the Model Code throughout the six months ended 30 September 2014.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. LEUNG Kwong Kin, *J.P.* (Chairman), Mr. WONG Wah, Dominic and Mr. WAN Sze Chung. The Audit Committee has reviewed, with the management, the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited consolidated interim financial statements for the six months ended 30 September 2014.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

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 (www.hkex.com.hk). The Company's Interim Report 2014 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, 25 November 2014

Website: www.ebon.com.hk

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.