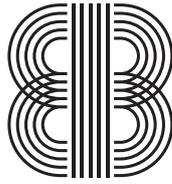


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E. BON HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

怡邦行控股有限公司
(Stock code: 599)

ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION RENEWAL OF TENANCY AGREEMENTS

The Board of the Company announces that E. Bon Building Materials Company Limited, a wholly owned subsidiary of E. Bon Holdings Limited has renewed the Tenancy Agreements on 11 July 2006 with the Landlord to lease Premises as office premises and warehouses to the Company and its subsidiaries.

The Landlord is a company wholly owned by Bache Hill Group Limited, where the substantial shareholder of Bache Hill Group Limited, Tse Brothers Asset Management Limited, holding 60.98% of the issued share capital of Bache Hill Group Limited, is a substantial shareholder of the Company, holding 42.69% of the issued share capital of the Company. Therefore, the Landlord is a connected person of the Company within the meaning of Rule 14A.11 of the Listing Rules. Accordingly, the transactions contemplated under the Tenancy Agreements constitute continuing connected transactions for the Company under the Listing Rules.

Pursuant to Rule 14A.34 of the Listing Rules, as the aggregate annual rent payable under the Tenancy Agreements, being HK\$2,952,000, is more than 2.5% but less than 25% of each of the applicable percentage ratios and the annual consideration is less than HK\$10,000,000, the Company is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements. Details of the Tenancy Agreements, which is subject to annual review requirements under Rules 14A.37 to 14A.40, will be included in the annual report and accounts of the Company for each of the relevant financial years in accordance with Rule 14A.46 of the Listing Rules.

DETAILS OF THE TENANCY AGREEMENT

The Board of Directors (the "Board") of E. Bon Holdings Limited (the "Company") announces that E. Bon Building Materials Company Limited (the "Subsidiary") has renewed the tenancy agreements on 11 July 2006 with Negotiator Consultants Limited (the "Landlord") to lease the premises as particularized hereunder for use as office premises and warehouse of the Company and its subsidiaries (the "Tenancy Agreements").

The principal terms of the Tenancy Agreements are as follows:

| | | |
|---------------------|---|--|
| Landlord | : | Negotiator Consultants Limited |
| Tenant | : | E. Bon Building Materials Company Limited |
| Premises | : | a. Office A & B on the 16th, 17th and 18th Floor, First Commercial Building, 33-35 Leighton Road, Hong Kong (the "Office Premises"); and b. Factory Units A-D on 12th-14th Floor (inclusive) of E. Tat Factory Building, No. 4 Heung Yip Road, Hong Kong and Car parking spaces Nos. 3 and 28 of the same building (the "Warehouse Premises") (The office Premises and the Warehouse Premises are collectively referred to as "the Premises"). |
| Lease Term | : | 3 years commencing from 20 March 2006 and expiring on 19 March 2009 (both days inclusive) |
| Rent | : | HK\$88,000 per month (Office Premises) HK\$158,000 per month (Warehouse Premises) Exclusive of management fee, government rent, government rates and other outgoings (collectively referred to as "the Rent"). |
| Annual Rent payable | : | HK\$2,952,000 |
| Rent free period | : | No rent free period |

REASONS FOR THE TRANSACTION

Since March 2000, the Landlord has been leasing the Premises to the Company and its subsidiaries as offices and warehouse. The previous tenancy agreements both dated 20 March 2003 were entered into between the Landlord and the Subsidiary in respect of the Premises at a monthly rental of HK\$78,000 and HK\$132,000 for use as the office premises and warehouse of the Company and its subsidiaries respectively have already expired on 19 March 2006, details of which were included in the Company's announcement dated 6 August 2003. Accordingly, the Company considers it to be commercially necessary and beneficial to renew the Tenancy Agreements in respect of the Premises so that the Company and its subsidiaries can continue to use the Premises as office premises and warehouse.

The Rent will be paid by the Subsidiary on monthly basis from its internal resources.

The Rent was agreed after negotiation by making reference to the market rate for similar premises in their vicinity. The directors together with the independent non-executive directors of the Company consider that the terms of Tenancy Agreements are on normal commercial terms, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

For the period from 20 March 2006, which is the date right after the expiry of the said previous tenancy agreements both dated 20 March 2003, up to the date of this announcement, the Subsidiary has paid HK\$984,000 to the Landlord as the rent of both the Office Premises and the Warehouse Premises. As the said amount of HK\$984,000 is more than 0.1% but less than 2.5% of each of the applicable percentage ratios and the total consideration is less than HK\$1,000,000 and is below the threshold as required under Rule 14A.33(3) of the Listing Rules.

There is no provision for early termination in the Tenancy Agreements.

CONTINUING CONNECTED TRANSACTIONS

The Landlord is a company wholly owned by Bache Hill Group Limited, where the substantial shareholder of Bache Hill Group Limited, Tse Brothers Asset Management Limited, holding 60.98% of the issued share capital of Bache Hill Group Limited, is a substantial shareholder of the Company, holding 42.69% of the issued share capital of the Company. Therefore, the Landlord is a connected person of the Company within the meaning of Rule 14A.11 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Accordingly, the transactions contemplated under the Tenancy Agreements constitute continuing connected transactions for the Company under the Listing Rules.

Pursuant to Rule 14A.35(2) of the Listing Rules, the respective maximum aggregate annual values of the said continuing connected transactions for the financial years ending on 31 March 2007, 31 March 2008 and 31 March 2009 is HK\$2,952,000 respectively.

Pursuant to Rule 14A.34 of the Listing Rules, as the aggregate annual rent payable under the Tenancy Agreements, being HK\$2,952,000, is more than 2.5% but less than 25% of each of the applicable percentage ratios and the annual consideration is less than HK\$10,000,000, which is below the threshold as required under the said Rule 14A.34 of the Listing Rules, the Company is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholder's approval requirements. Details of the Tenancy Agreements will be included in the annual report and accounts of the Company, which is subject to annual review requirements under Rules 14A.37 to 14A.40, for each of the relevant financial years in accordance with Rule 14A.46 of the Listing Rules.

INFORMATION ON THE COMPANY AND THE LANDLORD

The E. Bon Group of companies (all the wholly owned subsidiaries of the Company) is particularly engaged in the importing and sale of architectural builders hardware, bathroom collection and accessories and kitchen collection in Hong Kong, Macau and China.

The Landlord is engaged in investment and property holding activities.

GENERAL

As at the date hereof, the Board of Directors comprises Messrs. Tse Sun Fat Henry, Tse Sun Po Tony, Tse Sun Lung Alan, Wong Tin Cheung Ricky, Lau Shiu Sun and Yick Kai Chung Donald as Executive Directors; Messrs. Mak So as Non-executive Director and Leung Kwong Kin J.P., Wong Wah Dominic and Wan Sze Chung as Independent Non-executive Directors.

By order of the Board of Directors
E. Bon Holdings Limited
Lau Shiu Sun
Executive Director

Hong Kong, 12 July 2006

“Please also refer to the published version of this announcement in The Standard.”