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 AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

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 2024 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	**2024** **HK$'000**	2023 HK$'000
Revenue	*2*	**459,848**	454,764
Cost of sales	*3*	**(280,638)**	(274,158)
Gross profit		**179,210**	180,606
Other income	*2*	**1,291**	782
Other (losses)/gains, net	*2*	**(3,088)**	1,003
Net impairment losses on financial and contract assets		**(1,195)**	(2,431)
Distribution costs	*3*	**(92,687)**	(90,141)
Administrative expenses	*3*	**(69,054)**	(71,544)
Operating profit		**14,477**	18,275
Finance income		**1,924**	1,886
Finance costs		**(5,539)**	(3,492)
Finance costs, net		**(3,615)**	(1,606)
Profit before income tax		**10,862**	16,669
Income tax expense	*4*	**(2,319)**	(2,596)
Profit for the year attributable to equity holders of the Company		**8,543**	14,073

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Notes	**2024** *HK$'000*	2023 *HK$'000*
Other comprehensive income/(loss)			
Items that have been/may be subsequently reclassified to profit or loss			
Exchange gains/(losses) on translation of financial statements of foreign operations		**155**	(410)
Items that will not be reclassified subsequently to profit or loss			
Losses on revaluation of properties held for own use		**(7,576)**	(3,422)
Tax effect relating to revaluation of properties held for own use		**1,250**	552
Other comprehensive loss for the year, net of tax		**(6,171)**	(3,280)
Total comprehensive income for the year attributable to equity holders of the Company		**2,372**	10,793
Earnings per share (expressed in HK cents per share)			
— Basic and diluted	*6*	**1.19 cents**	2.22 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	**2024** **HK$'000**	2023 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**282,812**	302,032
Right-of-use assets		**37,344**	35,902
Deferred income tax assets		**5,325**	5,352
Retention and other receivables	*7*	**4,840**	4,744
		330,321	348,030
Current assets			
Inventories		**169,712**	144,909
Trade, retention and other receivables	*7*	**115,145**	94,298
Contract assets	*7*	**3,837**	3,269
Current income tax recoverable		**4,394**	3,183
Derivative financial assets		**–**	223
Time deposits with maturity over three months		**30,309**	23,365
Cash and cash equivalents		**57,377**	123,296
		380,774	392,543
Total assets		**711,095**	740,573
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**71,884**	71,884
Reserves		**423,609**	424,831
Total equity		**495,493**	496,715

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2024

	Notes	2024 HK$'000	2023 HK$'000
LIABILITIES			
Non-current liabilities			
Employee benefit obligations	8	**4,782**	6,021
Lease liabilities		**19,418**	8,460
Deferred income tax liabilities		**14,500**	17,201
		38,700	31,682
Current liabilities			
Trade and other payables	8	**30,977**	43,254
Contract liabilities	8	**62,804**	70,643
Lease liabilities		**19,406**	29,143
Borrowings		**58,602**	63,969
Current income tax liabilities		**5,113**	5,167
		176,902	212,176
Total liabilities		**215,602**	243,858
Total equity and liabilities		**711,095**	740,573

Notes:

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

1.1 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 on a historical cost convention, as modified by the revaluation of properties held for own use 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.

1.2 Changes in accounting policy

(a) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for the annual reporting period commencing 1 April 2023:

HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies (amendments)
HKAS 8	Definition of Accounting Estimates (amendments)
HKAS 12	International Tax Reform — Pillar Two Model Rules (amendments)
HKAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (amendments)
HKFRS 17	Insurance Contracts
HKFRS 17	Amendments to HKFRS 17
HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information (amendments)

The new standards and amendments to existing standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1. **BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)**

1.2 Changes in accounting policy (Continued)

(b) New and amended standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretation have been published that are not yet effective for the annual reporting period commencing 1 April 2023 and have not been early adopted by the Group:

		Effective for accounting year beginning on or after
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2024
HKAS 1 (Amendments)	Non-current Liabilities with Covenants	1 January 2024
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 January 2024
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements	1 January 2024
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of assessing the impact of adopting these amended standards and interpretation of HKFRS and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

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

	2024	2023
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**405,658**	381,020
Contract revenue	**54,190**	73,744
	459,848	454,764
Timing of revenue recognition:		
— At a point in time	**405,658**	381,020
— Over time	**54,190**	73,744
	459,848	454,764

	2024	2023
	HK$'000	*HK$'000*
Other income		
Government subsidy	**–**	34
Others	**1,291**	748
	1,291	782
Other (losses)/gains, net		
Net foreign exchange loss		
— Forward contracts	**(1,157)**	(3,269)
— Other exchange gain	**176**	1,906
Impairment loss on properties held for own use	**(2,107)**	(1,304)
COVID-19-related rent concessions	**–**	3,670
	(3,088)	1,003

2. **REVENUE, OTHER INCOME, OTHER (LOSSES)/GAINS, NET AND SEGMENT INFORMATION (Continued)**

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, interior design services, project and contract management

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, derivative financial assets, time deposits with maturity over three months, cash and cash equivalents, property and plant and equipment related to the office premises and warehouse of the Group 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) and other corporate liabilities which are managed on central basis and are not directly attributable to the business activities of any operating segment.

		2024	
	Architectural builders' hardware, bathroom collections and others *HK$'000*	**Kitchen collection and furniture** *HK$'000*	**Total** *HK$'000*
Reportable segment revenue from external customers	**349,943**	**109,905**	**459,848**
Reportable segment cost of sales	**(211,238)**	**(69,400)**	**(280,638)**
Reportable segment gross profit	**138,705**	**40,505**	**179,210**
Depreciation of property, plant and equipment	**(5,833)**	**(3,477)**	**(9,310)**
Depreciation of right-of-use assets	**(17,443)**	**(15,237)**	**(32,680)**
Provision for inventory obsolescence	**(434)**	**(299)**	**(733)**
Finance income	**1,903**	**21**	**1,924**
Finance costs	**(3,272)**	**(2,267)**	**(5,539)**
Net impairment losses on financial and contract assets	**(1,161)**	**(34)**	**(1,195)**
Reportable segment assets	**290,676**	**100,783**	**391,459**
Additions to non-current segment assets during the year	**829**	**8,812**	**9,641**
Reportable segment liabilities	**87,671**	**74,035**	**161,706**

2. **REVENUE, OTHER INCOME, OTHER (LOSSES)/GAINS, NET AND SEGMENT INFORMATION (Continued)**

	2023		
	Architectural builders' hardware, bathroom collections and others *HK$'000*	Kitchen collection and furniture *HK$'000*	Total *HK$'000*
Reportable segment revenue from external customers	314,574	140,190	454,764
Reportable segment cost of sales	(204,854)	(69,304)	(274,158)
Reportable segment gross profit	109,720	70,886	180,606
Depreciation of property, plant and equipment	(6,140)	(4,514)	(10,654)
Depreciation of right-of-use assets	(17,904)	(12,176)	(30,080)
Reversal of provision for/(provision for) inventory obsolescence	(4,101)	836	(3,265)
Finance income	1,854	32	1,886
Finance costs	(1,900)	(1,592)	(3,492)
Net impairment losses on financial and contract assets	(2,401)	(30)	(2,431)
Reportable segment assets	321,838	71,923	393,761
Additions to non-current segment assets during the year	554	7,152	7,706
Reportable segment liabilities	110,322	73,122	183,444

2. **REVENUE, OTHER INCOME, OTHER (LOSSES)/GAINS, NET AND SEGMENT INFORMATION (Continued)**

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

	2024	2023
	HK$'000	*HK$'000*
Reportable segment gross profit	**179,210**	180,606
Group gross profit	**179,210**	180,606
Reportable segment assets	**391,459**	393,761
Property, plant and equipment	**221,805**	190,909
Deferred income tax assets	**5,325**	5,352
Current income tax recoverable	**4,394**	3,183
Time deposits with maturity over three months	**30,309**	23,365
Cash and cash equivalents	**57,377**	123,296
Derivative financial assets	**–**	223
Other corporate assets	**426**	484
Group assets	**711,095**	740,573

	2024	2023
	HK$'000	*HK$'000*
Reportable segment liabilities	**161,706**	183,444
Borrowings	**33,736**	37,501
Current income tax liabilities	**5,113**	5,167
Deferred income tax liabilities	**14,500**	17,201
Other corporate liabilities	**547**	545
Group liabilities	**215,602**	243,858

Geographical information

	Revenue from external customers		**Non-current assets (excluding financial assets and deferred income tax assets)**	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (domicile)	**429,150**	436,198	**319,864**	337,310
PRC	**30,698**	18,566	**292**	624
Total	**459,848**	454,764	**320,156**	337,934

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 2024, no single customer contributed over 10% of the Group's revenue. (2023: same)

3. EXPENSES BY NATURE

	2024	2023
	HK$'000	*HK$'000*
Employee benefit expenses	**67,712**	69,103
Auditor's remuneration		
— Audit services	**1,760**	1,760
— Non-audit services	**216**	195
Cost of inventories	**265,550**	253,061
Provision for inventory obsolescence, included cost of sales	**733**	3,265
Other direct costs, included in cost of sales	**14,355**	17,832
Depreciation of property, plant and equipment	**20,128**	19,103
Depreciation of right-of-use asset	**32,680**	30,080
Expenses relating to short-term lease	**442**	154
Legal and professional expenses	**2,587**	3,919
Building management fee	**2,447**	2,124
Electricity and water	**1,438**	1,308
Bank charges	**1,681**	2,409
Entertainment	**2,206**	2,290
Government rent and rates	**1,942**	1,504
Transportation	**4,738**	4,341
Storage charges	**7,275**	6,080
Printing and stationary	**1,261**	2,134
Travelling	**838**	531
Other expenses	**12,390**	14,650
	442,379	435,843

4. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the year. The applicable tax rate for the PRC subsidiaries of the Group is 25% (2023: 25%) for the year.

	2024	2023
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**3,824**	3,116
PRC enterprise income tax	**12**	153
Total current tax	**3,836**	3,269
Deferred taxation	**(1,517)**	(673)
Income tax expense	**2,319**	2,596

5. DIVIDENDS

(a) Dividends declared and paid during the year

	2024	2023
	HK$'000	*HK$'000*
Final dividend in respect of 2023 of HK$0.5 cents (2023: in respect of 2022 of HK$1 cent) per share	**3,594**	6,006

(b) Dividends for the year

	2024	2023
	HK$'000	*HK$'000*
Proposed final dividend of HK$Nil (2023: HK$0.5 cents) per share	**–**	3,594

6. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the years.

	2024	2023
	HK cents	*HK cents*
Basic earnings per share attributable to the owners of the Company	**1.19**	2.22

(b) Diluted earnings per share

Diluted earnings per share for the year ended 31 March 2024 is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued (2023: same).

6. EARNINGS PER SHARE (Continued)

(c) Reconciliations of earnings used in calculating earning per share

	2024	2023
	HK$'000	*HK$'000*
Basic earnings per share		
Profit attributable to the owners of the Company used in calculating basic earnings per share	**8,543**	14,073

	2024	2023
	HK$'000	*HK$'000*
Diluted earnings per share		
Profit attributable to the owners of the Company used in calculating diluted earnings per share	**8,543**	14,073

(d) Weighted average number of shares used as the denominator

	2024	2023
	Number of shares	*Number of shares*
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating basic and diluted earnings per share	**718,838,942**	632,838,238

7. TRADE, RETENTION, OTHER RECEIVABLES AND CONTRACT ASSETS

Details of the trade, retention and other receivables and contract assets as at 31 March 2024 and 2023 are listed below:

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**96,532**	71,605
Less: provision for impairment of trade receivables	**(1,886)**	(1,118)
	94,646	70,487
Retention receivables	**1,147**	1,435
Less: provision for impairment of retention receivables	**(274)**	(264)
	95,519	71,658
Contract assets	**3,870**	3,284
Less: provision for impairment of contract assets	**(33)**	(15)
	99,356	74,927
Other receivables, deposits and prepayments	**24,466**	27,384
	123,822	102,311
Less: non-current portion		
Retention receivables	**(32)**	(367)
Deposits	**(4,808)**	(4,377)
Current portion	**118,982**	97,567

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:

	2024	2023
	HK$'000	*HK$'000*
0–90 days	**62,458**	31,311
91–365 days	**14,730**	25,270
Over 365 days	**19,344**	15,024
	96,532	71,605

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.

7. TRADE, RETENTION, OTHER RECEIVABLES AND CONTRACT ASSETS (Continued)

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

The movement in the provision of expected credit loss on trade, retention receivables and contract assets is as follows:

	2024	2023
	HK$'000	*HK$'000*
Balance at beginning of the year	**1,397**	1,153
Loss allowance for the year	**1,195**	2,431
Written-off	**(488)**	(2,169)
Exchange difference	**89**	(18)
Balance at end of the year	**2,193**	1,397

As at 31 March 2024, the carrying values of trade and other receivables approximate their fair values (2023: same).

8. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2024	2023
	HK$'000	*HK$'000*
Trade payables	**25,724**	29,854
Accrued charges and other payables	**5,253**	13,400
Contract liabilities	**62,804**	70,643
Employee benefit obligations	**4,782**	6,021
	98,563	119,918
Less: non-current portion		
Employee benefit obligations	**(4,782)**	(6,021)
Current portion	**93,781**	113,897

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

	2024	2023
	HK$'000	*HK$'000*
0–90 days	**19,156**	22,022
91–365 days	**3,156**	4,074
Over 365 days	**3,412**	3,758
	25,724	29,854

As at 31 March 2024, the carrying values of trade and other payables approximate their fair values (2023: same).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in importing, wholesale, retailing and installing architectural builders' hardware, bathroom, kitchen collections and furniture and providing interior design services, project and contract management 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. In addition, discussions on the Group's environmental policies and implementation 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 are provided in the Environmental, Social and Governance Report of the Annual Report 2023/24.

Details of the Company's compliance with the code provisions in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") are provided in the Corporate Governance Report of the Annual Report 2023/24. Except the code provision D.2.5 of Appendix C1 of the Listing Rules, during the year ended 31 March 2024, the Company has complied with the requirements under the Listing Rules, the Hong Kong Companies Ordinance (Cap. 622), the Securities and Futures Ordinance and the Cayman Islands Companies Act.

Hong Kong's economy, known for its dynamism and minimally interventionist policies, has always been open and responsive to global economic shifts. In 2023, escalating geopolitical tensions among major economies, particularly China, the United States (the "U.S."), and the European Union (the "E.U."), significantly influenced this economic landscape. Given that Hong Kong's economic growth is closely tied to China's economic performance, these tensions have profoundly impacted Hong Kong's trade, business operations, and strategic geopolitical standing. In 2023, China's economy demonstrated resilience and growth despite challenges, with a Gross Domestic Product (the "GDP") growth rate of 5.2% over the previous year.

The reshoring initiatives undertaken by Western nations, aimed at reducing dependency on China, have had a tangible impact on Hong Kong's economic activities. The United States has been leading this movement, actively advocating for the realignment of manufacturing and supply chains to lessen reliance on Chinese production capabilities. This strategic shift has not only affected trade volumes but also investor sentiment. Foreign investors have become increasingly cautious due to the unpredictable nature of the relations between China and the E.U./U.S. This uncertainty has eroded confidence, leading to a reticence in investment, particularly in sectors where Hong Kong has traditionally excelled.

The real estate market in Hong Kong, traditionally a barometer of economic health and investor confidence, has been significantly impacted by the prevailing geopolitical conflicts; the 2023/24 period saw a marked decrease in investment activity and capital inflows, particularly within the commercial and high-end residential property segments. Central banks of advanced economies raised interest rates sharply to curb inflation, thereby tightening global financial conditions and dampening import demand for goods. Consequently, Hong Kong's total goods exports decreased notably by 10.3% last year.

The geopolitical standoffs have fueled uncertainty, weakening the economic outlook and resulting in subdued demand from individual purchasers and corporate entities. Concerns over potential shifts in policy and regulatory frameworks, coupled with fluctuations in currency and exchange rates, have compounded these challenges, diminishing the market's appeal to investors during this tumultuous period.

In contrast, the market for private domestic units in Hong Kong presented a more nuanced picture in 2023. The first half of the year maintained a semblance of stability in terms of demand and pricing. However, the latter half witnessed moderation, reflecting the evolving economic backdrop and market conditions. An increase in new housing supply, alongside a softening of investor activity, played a significant role in shaping the market dynamics throughout the year. This mixed performance underscores the complex interplay between local market forces and the broader geopolitical climate, which continues to shape Hong Kong's economic trajectory. Despite these challenges, Hong Kong's economy has demonstrated resilience and adaptability. The territory continues to leverage its strengths and strategic position to navigate these complex geopolitical dynamics; the Hong Kong economy ended the year positively, with the real Gross Domestic Product growing by 3.2%.

The environment of uncertainty fostered by these geopolitical dynamics has led to cautious investment decisions. Despite a modest recovery in early 2023, the secondary property market for domestic prices experienced a downturn. The upward momentum lost steam amidst the relatively high interest rate environment, tightened financial conditions, an uncertain external economic outlook, subdued local demand, and cautious investor and developer sentiment. Economic uncertainties, both globally and locally, have significantly affected investors and potential home buyers.

According to the Rating and Valuation Department of the Hong Kong SAR Government, prices in the last quarter of 2023 saw a decline of 7.2% compared to the same period in the previous year. The transaction volume of secondary private domestic units decreased by 4% to 43,002 units, down from 45,050 units in 2022. Furthermore, the number of private domestic completions in 2023 stood at 13,852 units, marking a 35% reduction from 2022. These figures underscore the challenges faced by the real estate market in Hong Kong and the need for strategic planning and execution to navigate through these turbulent times.

In the fiscal year of 2023, the Land Sale Revenue amounted to HKD12.3 billion, a figure that significantly fell short of the targeted HKD85 billion. This shortfall can be attributed to a confluence of factors, including economic uncertainties, market sentiment, government policies, developers' cautious attitude towards the market, and external geopolitical factors. These elements have collectively contributed to a reticent investment climate and lower-than-expected land sale revenues.

In an effort to stabilise the real estate market, the Hong Kong Government cancelled all Special Stamp Duty (the "SSD"), Buyer's Stamp Duty (the "BSD"), and New Residential Stamp Duty (NRSD) for residential property transactions starting from 28 February 2024.

The economic landscape of Hong Kong in 2023 was significantly shaped by ongoing geopolitical tensions, particularly those involving its major trading partners, China and the United States. The global trend towards reshoring and the strategic shift to reduce reliance on China for manufacturing, especially in the electric vehicle sector, has pronouncedly affected Hong Kong's economic performance.

Despite these challenging economic and market conditions in Hong Kong and a 61% decline in project sales during the financial year ended on 31 March 2024, we managed to achieve marginal growth in revenue. There were notable improvements:

1. Furniture & Kitchen: Sales in this category saw a marginal increase.

2. Sanitary Wares: Sales of sanitary wares rose by 27.5%.

3. China Sales: Sales in China increased significantly by 65%.

4. Design Section: Remarkably, the Design section experienced a 4.7-fold growth.

These positive trends indicate resilience and strategic adjustments in response to market challenges.

Our revenue and, consequently, the gross profit before tax experienced a modest increase compared to the 2022/23 fiscal year. This achievement is noteworthy, particularly considering that the transaction volume in the secondary property market was approximately 4% lower than the previous year.

However, it is important to note that our profit after income tax decreased by 39.3% due to increased operating expenses, including shop relocation costs, asset depreciation, and loss related to property valuation. This decline underscores the complex and challenging business environment we operate in.

Despite these challenges, our Group remains steadfast in our commitment to leverage our extensive experience and work diligently to maintain and strengthen our relationships in Hong Kong. We will continue collaborating with reputable property developers to seize future opportunities. Our strategic focus remains on delivering sustainable growth and value for our stakeholders. We are confident in navigating these challenges and look forward to a prosperous future.

REVENUE REVIEW

Revenue by business segment

For the year ended 31 March 2024, the Group's total turnover was HK$459.8 million, representing an increase of 1.1% as compared with the previous year.

	Revenue from external customers 31 March			As a percentage of sales 31 March	
	2024	2023	**Change**	**2024**	2023
	HK$'000	*HK$'000*	*(%)*	*(%)*	*(%)*
Architectural builders' hardware, bathroom collections and others	**349,943**	314,574	**11.2**	**76.1**	69.2
Kitchen collection and furniture	**109,905**	140,190	**(21.6)**	**23.9**	30.8
	459,848	454,764	**1.1**	**100.0**	100.0

Profitability by business segment

	Reportable segment gross profit			Gross profit margin	
	2024	2023	**Change**	**2024**	2023
	HK$'000	*HK$'000*	*(%)*	*(%)*	*(%)*
Architectural builders' hardware, bathroom collections and others	**138,705**	109,720	**26.4**	**39.6**	34.9
Kitchen collection and furniture	**40,505**	70,886	**(42.9)**	**36.9**	50.6
	179,210	180,606	**(0.8)**	**39.0**	39.7

Revenue from the architectural builders' hardware, bathroom collections and others segment increased by 11.2% to HK$349.9 million (2023: HK$314.6 million) as compared to the previous year. During the year, we supplied for projects such as Blue Coast, KT Marina, Belgravia Place, OnMantin.

Revenue from the kitchen collection and furniture segment decreased by 21.6% to HK$109.9 million (2023: HK$140.2 million) as compared to the previous year. During the year, we supplied for projects such as IN ONE ABOVE.

The overall gross profit of the Group amounted to HK$179.2 million (2023: HK$180.6 million), representing an decrease of 0.8% from the previous year. The overall gross profit margin slightly decreased to 39.0% from 39.7%.

The Group's operating profit was HK$14.5 million (2023: HK$18.3 million), representing an decrease of 20.8% from the prior year. The amount of administrative expenses and distribution costs increased by 0.3% to HK$161.7 million (2023: HK$161.7 million) which reflected our efforts in controlling selling expenses despite resumption in selling activities and cost control in staffing and distribution.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group continues to operate its business in Hong Kong and the PRC while adopting a prudent financial management policy. The current ratio and quick ratio are 2.2 (2023: 1.9) and 1.2 (2023: 1.2), respectively. Cash and cash equivalents and time deposits with maturity over three months approximated HK$87.7 million as at 31 March 2024 (2023: HK$146.7 million).

Inventories increased to HK$169.7 million (2023: HK$144.9 million). The trade, retention and other receivables increased to HK$115.1 million (2023: HK$94.3 million), while the trade and other payables decreased to HK$31.0 million (2023: HK$43.3 million).

As at 31 March 2024, the gearing ratio (net debt divided by total equity) of the Group is 2.0% (2023: net cash position). The interest-bearing borrowings of the Group decreased to HK$58.6 million (2023: HK$64.0 million) as at 31 March 2024.

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 2024, performance bonds of approximately HK$7.9 million (2023: HK$23.3 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 2024.

USE OF PROCEEDS FROM RIGHTS ISSUE

On 9 January 2023, the Company completed a rights issue and issued 118,238,942 rights shares, on the basis of one (1) rights share for every four (4) then existing shares, at a price of HK$0.192 per rights share (the "2023 Rights Issue"). Upon completion of the 2023 Rights Issue, the Company received net cash proceeds of approximately HK$21.4 million (the "Net Proceeds"). The Company intended to apply the Net Proceeds as to: (i) approximately HK$11.7 million for financing the estimated renovation costs and related expenses for setting up a new showroom and warehouse in connection with the Group's kitchen collection and furniture business; (ii) approximately HK$7.7 million for repayment of bank loans; and (iii) approximately HK$2.0 million as general working capital of the Group.

The following table sets forth the information in relation to the use of the Net Proceeds raised from the 2023 Rights Issue:

	Intended use of Net Proceeds as disclosed in the prospectus dated 14 December 2022	Actual use of Net Proceeds up to 31 March 2024 as originally intended	Unutilised Net Proceeds as at 31 March 2024	Intended use and expected timeline
Financing the estimated renovation costs and related expenses for setting up a new showroom and warehouse in connection with the Group's kitchen collection and furniture business	HK$11.7 million	HK$11.7 million	Nil	To be used as originally intended during the first half of 2023 and through 2024
Repayment of bank loans	HK$7.7 million	HK$7.7 million	Nil	To be used as originally intended from January 2023 to March 2024
General working capital of the Group	HK$2.0 million	HK$2.0 million	Nil	To be used as originally intended from January 2023 to March 2024

FUTURE PROSPECTS

Looking ahead, the global landscape is rife with uncertainty. Geopolitical risks are undermining economic activity and causing disruptions in global supply chains. Elections worldwide could introduce new political risks and volatility. Domestically, China is grappling with significant challenges, from a sluggish real estate market to weak consumer sentiment. Stimulating consumption is a crucial yet formidable task. The future economic trajectory of Hong Kong is intricately tied to China's effectiveness in addressing its internal economic hurdles. The interplay between Hong Kong's economic policies and China's broader macroeconomic climate is of utmost importance. The average prediction among five firms, UBS, Citi, JP Morgan, Goldman Sachs and Morgan Stanley, pointed to a 4.6% increase in real GDP this year, down from 5.2% expected for 2023.

However, China faces significant economic challenges for 2024, including high corporate and local government debt levels that threaten financial stability and growth. The real estate market has entered deflation, leading to adjustments in property investment and construction. Although consumer spending has rebounded, domestic demand remains weak due to structural issues and demographic changes. Slowed industrial production growth is affecting the manufacturing and export sectors. In response, authorities focus on reducing financial risks by tightening regulations and oversight in the banking and shadow banking sectors. These factors collectively shape China's economic outlook for 2024.

The impact of reshoring initiatives on manufacturing and supply chains has been profound, significantly affecting trade volumes and investor confidence. The uncertainties surrounding China-E.U./U.S. relations have further complicated the situation, leading to a more cautious approach from foreign investors. This climate of uncertainty has not only affected direct investments but also rippled through Hong Kong's broader economic activities, including its pivotal real estate sector. The real estate market, particularly commercial and luxury residential properties, may witness a decline in foreign investment.

In the 2024/25 financial budget, the Land Sale Programme will encompass eight residential sites (capable of providing approximately 5,690 flats), two commercial sites (around 120,000 sq m of gross floor area), and one other site. The estimated private housing land supply for 2024/25 can yield about 15,000 flats, surpassing the annual target of 13,200 flats by approximately 15%. Other sources of supply include the MTR Corporation Limited (the "MTRCL"), which plans to tender its residential development project at Tung Chung East Station Package 1, offering around 1,200 flats. The Urban Renewal Authority (the "URA") will contribute by advancing three projects, providing approximately 2,860 flats. Private development and redevelopment projects are estimated to supply around 5,400 flats in 2024/25. The potential supply of first-hand private residential units for the next three to four years is projected to be around 109,000.

Nevertheless, the outlook for the Hong Kong private domestic unit market in 2024 is expected to be challenging, with declining demand, downward pressure on prices, reduced investment activity, concerns over oversupply, and affordability challenges. The weaker economic growth, cautious developers, and decreased consumer confidence will likely impact overall residential property demand, particularly for higher-end and investment-driven properties. This, combined with the ongoing new housing supply, will put downward pressure on prices and decrease investment activity. Therefore, the government's 2024 budget has indicated that it might consider a rate cut this year. These cuts could boost financial market sentiment and benefit retail and office leasing momentum.

Given Hong Kong's economic outlook in 2023 and 2024, the government's land sale revenue is projected to decline in 2024 compared to 2023; the government's targeted revenue from land premiums has seen a significant decrease of 61% year-on-year, plummeting from HK$85 billion to HK$33 billion. This is attributed to a weakening real estate market, reduced economic growth and investment, cautious developer and investor sentiment, and potential policy adjustments. The reduced investor confidence and cautious market sentiment have significantly affected the disappointing land sale revenue figures. The diminished capital inflows and subdued demand within the commercial and high-end residential property segments highlight the broader economic challenges faced by Hong Kong amidst these geopolitical tensions. Consequently, the revenue generated from land sales has suffered, reflecting the broader hesitancy in the investment climate during this period of economic volatility.

In summary, these geopolitical tensions and conflicts could pose significant challenges to Hong Kong's real estate market. However, the exact impact will depend on how these situations evolve and how effectively Hong Kong can navigate these challenges. It's a complex issue with many moving parts, and the situation continues to evolve. The Hong Kong government will need to implement robust policy measures and economic diversification strategies to mitigate these challenges and restore the city's growth trajectory in the medium to long term.

In his budget speech on 28 February 2024, Financial Secretary Paul Chan unveiled several key initiatives to diversify Hong Kong's industries and bolster its economic resilience. These initiatives include increased funding for the Innovation and Technology Fund (the "ITF") to support Research & Development (the "R&D") in emerging technologies, continued investment in smart city infrastructure, and the expansion of Cyberport for tech entrepreneurs. The government is also championing green technologies and sustainability through green bonds, enhancing support for creative industries, and launching a tourism recovery package. Additional measures encompass strengthening the fintech sector, expanding the Wealth Management Connect Scheme, investing in biomedical research and healthcare innovation, promoting STEM education, attracting international talent, and developing smart logistics systems to enhance trade efficiency. These initiatives underscore the government's commitment to fostering innovation, enhancing competitiveness, and reducing reliance on traditional economic sectors. Technology and innovation are integral to Hong Kong's economic strategy, fostering new industries, creating jobs, and maintaining the city's competitive edge on the global stage. The sustained focus on these areas is expected to significantly influence the city's economic resilience and growth.

However, geopolitical tensions, sanctions between China and the Western world, and reshoring policies pose significant challenges to Hong Kong's economic diversification initiatives by restricting access to critical technologies, talent, and international markets. These factors could impede advancements in R&D, smart city infrastructure, and green technologies, affect the growth of creative industries and tourism, complicate financial services initiatives like fintech development and cross-border investment, and disrupt supply chains essential for smart logistics. The creative industries, healthcare and life sciences, and education sectors could face challenges due to limited international partnerships, access to advanced technologies, and talent. These vulnerabilities underscore the broad impact of geopolitical dynamics on Hong Kong's diverse economic landscape. Consequently, these geopolitical dynamics could escalate costs, limit international collaborations, and dampen investor sentiment, necessitating Hong Kong to adopt flexible and adaptive strategies to maintain its competitive edge and achieve its long-term economic goals, thereby ensuring economic stability in the face of ongoing global changes.

The intensifying rivalry between the U.S. and China and various regional conflicts have presented considerable economic challenges for Hong Kong. These developments have highlighted the city's susceptibility to global geopolitical shifts. Looking ahead, a key priority for Hong Kong will be to navigate these complexities to maintain its competitive edge and ensure economic stability in the face of ongoing global changes. Technology and innovation are integral to Hong Kong's economic strategy. They foster new industries, create jobs, and maintain the city's edge as a competitive global city. The continued focus on these areas is expected to substantially affect the city's economic resilience and growth.

The government forecasts GDP growth for 2024/25 and a real economic growth rate of 2.5 to 3.5 per cent per annum, indicating that the Hong Kong economy will grow by an average of 3.2 per cent a year in real terms from 2025 to 2028. The underlying inflation rate is forecast to average 2.5 per cent a year over this period. This growth is predicated on the assumption that geopolitical tensions will not worsen significantly, advanced economies will start cutting interest rates around mid-year, and the global economy will register similar growth as in 2024.

Geopolitical uncertainties, a relatively high-interest environment, and reshoring policies have cast a shadow over investor and potential home buyer confidence. This has led to decreased investment in new construction projects and reduced sale transactions in the private domestic unit market, particularly in the high-end luxury flat market. As a result, many have adopted a wait-and-see attitude, which can, in turn, decrease demand for builders' ware.

The business environment for our builders' ware in Hong Kong is influenced by a mix of opportunities and challenges stemming from government initiatives and geopolitical dynamics. We anticipate that these factors will negatively impact our turnover and, consequently, our gross profit margin, especially for high-end products for the luxury real estate market in the coming year.

In response to these challenges, we plan to focus more on project sales by strengthening relationships with key customers, including construction firms and developers. We aim to achieve this through personalised service and tailored solutions.

Furthermore, we intend to adapt to changing market conditions and government initiatives by embracing innovation and sustainability. Aligning with the government's green technologies initiatives, we will focus more on sustainable and eco-friendly building materials. We will promote products that improve energy efficiency, reduce carbon footprint, and comply with green building standards. This strategic shift not only aligns with global sustainability trends but also positions us to serve our customers better and navigate the complexities of the current economic landscape.

In conclusion, the economic outlook for Hong Kong in 2024 is cautiously optimistic, with expectations of growth. After a period of contraction, real GDP is forecasted to expand by 2.5% to 3.5%, supported by a rebound in domestic demand and improvements in the labour market. However, the external environment remains complex, with geopolitical tensions and global trade uncertainties posing potential challenges. Despite these headwinds, the gradual recovery of the Chinese economy and expected rate cuts may improve investment activity and property market sentiment. While cautiousness is warranted due to the dynamic global economic landscape, the various supportive measures and the local economy's resilience provide a basis for a positive outlook.

Ongoing urban development and housing projects in Hong Kong will support demand for our products. Still, they will be tempered by economic and operational challenges due to broader economic uncertainties and potential fluctuations in real estate activity. We hope that our group turnover for 2024/25 will remain Stable & Steady.

The Group has demonstrated resilience and adaptability in the face of the challenges brought about by the pandemic, evolving to sustain growth. We recognise the impact of external factors on our operations and performance. These include geopolitical tensions, supply chain disruptions, and currency rate fluctuations. As such, we will continue monitoring these factors and adjusting our strategies closely.

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 2023/24. 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 and Remuneration Policy

As at 31 March 2024, our workforce was recorded at 134 employees (2023: 141). Total staff costs (including Directors' emoluments) amounted to HK$67,712,000 (2023: HK$69,103,000). Competitive packages are offered to attract, retain and motivate competent individuals. Remuneration policy of the Group is reviewed regularly, making reference to legal framework, market conditions and both the Group's and individual performances.

The Group is committed to promoting equal opportunities for all of our employees, the provision of a healthy and safe workplace and encouraging work-life balance.

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

As our operations connect us to a wide range of stakeholders along the supply chain, we strive to make sure that sustainability considerations have been embedded in our procurement practices. Our environmental and social policy is in place to facilitate communication and align our sustainability expectations with our suppliers and sub-contractors. We conduct appraisals to evaluate performance of suppliers and sub-contractors. Factors assessed include production capacity, technical capability, quality control systems, personnel quality and sustainability performance.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining its high standard of corporate governance, and continues to review and reinforce its corporate governance measures. Full details of the which will be set out in the Corporate Governance Report contained in the Annual Report 2023/24 of the Company.

In the opinion of the Directors, the Company has complied with all the code provisions in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules throughout the year ended 31 March 2024, except for the following:

Under the code provision D.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. However, the Board has put in place adequate measures to perform the internal audit function. The Board reviews the Group's complex risk management and internal control systems from time to time so at to assurance its adequacy and 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 C3 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 2024.

DIVIDENDS

The Board did not declared and paid an interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: nil).

The Board do not recommend the payment of final dividend for the year ended 31 March 2024 (year ended 31 March 2023: HK$0.5 cent per share, totalling HK$3,594,000).

ANNUAL GENERAL MEETING

The annual general meeting (the "AGM") will be held on 6 September 2024. 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:

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 2024 to 6 September 2024, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 2 September 2024.

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 audited consolidated financial statements for the year ended 31 March 2024.

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 2024 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 audited 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 2023/24 will be despatched to the shareholders and available on the same websites in due course.

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

Hong Kong, 24 June 2024

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.