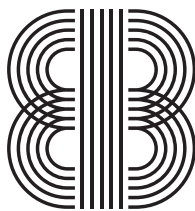


THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in E. Bon Holdings Limited (the “Company”), you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sales or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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

怡邦行控股有限公司

(Stock Code: 599)

DISCLOSEABLE AND CONNECTED TRANSACTION

**Independent financial adviser to the Independent Board Committee and
the Independent Shareholders**



粵海證券有限公司
GUANGDONG SECURITIES LIMITED

A letter from the board of directors of the Company is set out from pages 4 to 9 of this circular. A letter from the independent board committee of the Company is set out on page 10 of this circular. A letter from the independent financial adviser containing its advice and recommendation to the independent board committee and the independent shareholders of the Company is set out from pages 11 to 17 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Hong Kong on Monday, 8 March 2010 at 10:00 a.m. or any adjournment (as the case may be) is set out from pages 29 to 30 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the Company's share registrar in Hong Kong, Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting of the Company. Completion and return of the form of proxy shall not preclude you from attending and voting at the extraordinary general meeting of the Company should you so wish.

11 February 2010

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DEFINITIONS

In this circular, the following terms shall have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Premises by the Purchaser
“Announcement”	the announcement of the Company dated 21 January 2010 in relation to the Acquisition
“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and public holidays) on which banks are generally open for business in Hong Kong
“Company”	E. Bon Holdings Limited, a company incorporated in the Caymans Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Acquisition
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Consideration”	a total consideration of HK\$50 million payable by the Purchaser to the Vendor for the Acquisition under the Provisional Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on 8 March 2010 to consider and, if thought fit, approve the ordinary resolution(s) in respect of the Acquisition
“Group”	the Company and its subsidiaries

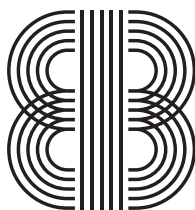
DEFINITIONS

“Guangdong Securities” or “Independent Financial Adviser”	a licensed corporation for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, and the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders regarding the Acquisition
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an Independent Board Committee comprising Messrs. Leung Kwong Kin J.P., Wong Wah, Dominic and Wan Sze Chung (all being Independent Non-executive Directors) to advise the Independent Shareholders regarding the Acquisition
“Independent Shareholder(s)”	Shareholder(s) other than Mr. Tse Sun Fat, Henry, Mr. Tse Sun Po, Tony, Mr. Yick Kai Chung, Mr. Tse Hon Kit, Kevin and Mr. Tse Sun Lung, Alan and their respective associates
“Latest Practicable Date”	8 February 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Leasing Agreement”	the leasing agreement entered into between the Vendor and E. Bon Building Materials Company Limited (a wholly-owned subsidiary of the Company) on 10 March 2009
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

DEFINITIONS

“Premises”	the Premises comprise: <ul style="list-style-type: none">(i) Factory: Units A–D on 12th–14th Floor (inclusive) of E. Tat Factory Building, No. 4 Heung Yip Road, Wong Chuk Hang, Hong Kong; and(ii) Car parking spaces Nos. 3 and 28 of the same building
“Provisional Sale and Purchase Agreement”	the provisional sale and purchase agreement in relation to the Acquisition entered into between the Purchaser and the Vendor on 21 January 2010
“Purchaser”	Asia Bon Company Limited, a wholly-owned subsidiary of the Company, being the purchaser to the Provisional Sale and Purchase Agreement
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation”	the valuation on the Premises of HK\$52 million as at 13 January 2010
“Valuation Report”	the valuation report regarding the Valuation
“Valuer”	RHL Appraisal Limited, an independent valuer
“Vendor”	Negotiator Consultants Limited, a company incorporated in the British Virgin Islands with limited liability and is principally engaged in property investment, being the vendor to the Provisional Sale and Purchase Agreement
“%”	per cent.

LETTER FROM THE BOARD



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

怡邦行控股有限公司

(Stock Code: 599)

Executive Directors:

Mr. TSE Sun Fat, Henry
Mr. TSE Sun Po, Tony
Mr. LAU Shiu Sun
Mr. YICK Kai Chung
Mr. FUNG Cheuk Hang, Jackie
Mr. TSE Hon Kit, Kevin

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Mr. LEUNG Kwong Kin, J.P.
Mr. WONG Wah, Dominic
Mr. WAN Sze Chung

*Head office and principal place
of business in Hong Kong:*

16th–18th Floors
First Commercial Building
33 Leighton Road
Causeway Bay, Hong Kong

11 February 2010

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the announcement of the Company dated 21 January 2010 regarding the Acquisition.

The purpose of this circular is to provide you with, among other things, (i) further details of the Acquisition; (ii) the recommendation from the Independent Board Committee regarding the Acquisition; (iii) a letter of advice from Guangdong Securities to the Independent Board Committee and the Independent Shareholders regarding the Acquisition; and (iv) a notice of EGM at which resolution(s) will be proposed to consider and, if thought fit, approve the Acquisition.

On 21 January 2010 (after trading hours), the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Premises at a consideration of HK\$50 million.

LETTER FROM THE BOARD

The Premises are presently leased by the Vendor to E. Bon Building Materials Company Limited (a wholly-owned subsidiary of the Company) under the Leasing Agreement, which will expire on 19 March 2012. Further details regarding the Leasing Agreement were set out in the announcement of the Company dated 11 March 2009.

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Provisional Sale and Purchase Agreement:

Date:

21 January 2010 (after trading hours)

Parties involved:

Purchaser

Asia Bon Company Limited (a wholly-owned subsidiary of the Company)

Vendor

Negotiator Consultants Limited, a connected person of the Company

There were no prior transactions between the Group and, the Vendor and its associates in the past 12 months prior to the date of the Provisional Sale and Purchase Agreement which would otherwise require aggregation under Rule 14.22 of the Listing Rules.

Assets to be acquired:

The Premises are presently leased by the Vendor to E. Bon Building Materials Company Limited for use as warehouses and car parks, and were originally purchased by the Vendor at approximately HK\$22,181,000 on 20 March 2000. The Leasing Agreement will expire on 19 March 2012.

The Premises comprise:

- (i) Factory: Units A–D on 12th–14th Floor (inclusive) of E. Tat Factory Building, No. 4 Heung Yip Road, Wong Chuk Hang, Hong Kong, with total saleable area of approximately 30,717, sq. ft.; and
- (ii) Car parking spaces: Nos. 3 and 28 of E. Tat Factory Building, No. 4 Heung Yip Road, Wong Chuk Hang, Hong Kong.

The turnover, profit before taxation and after taxation attributable to the Premises were amounted to approximately HK\$2,036,548, HK\$1,859,992 and HK\$1,321,917 respectively for the year ended 31 March 2009 and approximately HK\$1,896,000, HK\$1,703,747 and HK\$1,399,296 respectively for the year ended 31 March 2008.

LETTER FROM THE BOARD

The Consideration:

The Consideration of HK\$50 million is payable by the Purchaser to the Vendor in cash (i) as to HK\$200,000 as an initial deposit upon signing of the Provisional Sale and Purchase Agreement; (ii) as to HK\$5 million upon signing of the formal sale and purchase agreement in respect of the Acquisition (altogether the “Deposits”); and (iii) as to HK\$44.8 million upon Completion.

The Consideration shall be satisfied partly by the internal financial resources of the Group and partly by the possible banking facilities available to the Group.

Basis of the Consideration:

The Consideration was determined between the Purchaser and the Vendor after arm’s length negotiations and on normal commercial terms, taking into account the followings:

- (i) the Valuation of the Premises of approximately HK\$52 million as at 13 January 2010 valued by the Valuer using direct comparison method as stated in the Valuation Report;
- (ii) the current rental fee of HK\$185,000 per month for the Premises under the Leasing Agreement; and
- (iii) the outlook of the property market in Hong Kong.

Given that the Consideration is lower than the Valuation and represents a discount of approximately 3.85% to the Valuation, and the fact that the Group will need warehouse premises for the operations in Hong Kong while generally there is a shortage of suitable factory premises, the acquisition will secure the required storage space without further negotiation on future leases, the Directors considered that the Consideration is in the interests of the Company and the Shareholders as a whole. In light of that the initial deposit is refundable should the Company fail to secure the approval of the Acquisition in the EGM and it represents only 0.4% of the Consideration, the Directors have a view that the payment terms were fair and reasonable.

Major terms for completion of the Provisional Sale and Purchase Agreement:

The Vendor and the Purchaser shall enter into a formal sale and purchase agreement in respect of the Acquisition within 30 days from the date of getting approval from the Independent Shareholders at the EGM (which shall be held no later than 10 March 2010 pursuant to the terms of the Provisional Sale and Purchase Agreement) regarding the Provisional Sale and Purchase Agreement. The Acquisition shall be completed within 60 days from the date of the formal sale and purchase agreement in respect of the Acquisition.

LETTER FROM THE BOARD

Purchaser fails to perform

The initial deposit should be returned to the Company if the Company fails to approve the Acquisition at the EGM. However, should the Purchaser fail to complete the purchase of the Premises in accordance with the formal sale and purchase agreement in respect of the Acquisition, the Deposits will be forfeited to the Vendor and the Vendor shall then be entitled, at its absolute discretion to sell the Premises to anyone it thinks fit and the Vendor shall not sue the Purchaser for any liabilities and/or damages or to enforce specific performance.

Vendor fails to perform

Should the Vendor after receiving the initial deposit paid under the Provisional Sale and Purchase Agreement fail to complete the sale of the Premises in the manner contained in the Provisional Sale and Purchase Agreement, the Vendor shall immediately compensate the Purchaser with a refund of the initial deposit unconditionally together with a sum equivalent to the amount of the initial deposit as liquidated damages and the Purchaser shall not take any further action to claim for any related damages or to enforce specific performance.

POSSIBLE FINANCIAL EFFECTS OF THE ACQUISITION

Based on the estimation of the Directors, the Acquisition would not lead to significant impact on the financial position of the Group. The working capital of the Group would be reduced as a result of the payment of the Consideration and the gearing level of the Company may increase as a result of the utilisation of the possible banking facilities available to the Group.

REASONS FOR THE ACQUISITION

The principal activity of the Company is investment holding and the Group is principally engaged in the import and sale of architectural builders hardware, bathroom, kitchen collections and furniture. The principal activity of the Vendor is property investment for rental income.

The intended usage of the Premises is warehouse and car parking spaces.

Although the management fee and other outgoings shall be borne by the Company, the Directors considered that the Acquisition provides an excellent opportunity for the Group to (i) save ongoing rental payments for the Premises; (ii) eliminate the potential risks to the operation of the Group in the event that the Leasing Agreement could not be renewed upon its expiry in the future; and (iii) avoid the possible increase in rents for the Premises upon the expiry of the Leasing Agreement.

With reference to various reports published by Midland IC&I Limited and property.mpfinance.com, a rising trend on property prices is expected. This will result in a further increase of rental payment upon the expiry of the existing leasing agreement. Based on the valuation report and the fact that the Consideration represents a discount of

LETTER FROM THE BOARD

approximately 3.85% to the Valuation, the Directors considered that the Provisional Sale and Purchase Agreement is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and the Acquisition is in the interests of the Company and Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

Pursuant to Chapter 14 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company. In addition, Negotiator Consultants Limited, being a wholly-owned subsidiary of Bache Hill Group Limited, is indirectly-owned as to approximately 8.54%, 10.19%, 4.80%, 24.76% and 6.05% by Mr. Tse Sun Fat, Henry, Mr. Tse Sun Po, Tony, Mr. Yick Kai Chung, Mr. Tse Hon Kit, Kevin and Mr. Tse Sun Lung, Alan respectively who are all key management personnel of the Company. In this regard, the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Provisional Sale and Purchase Agreement is therefore subject to the approval of the Independent Shareholders by way of poll at the EGM whereby Mr. Tse Sun Fat, Henry, Mr. Tse Sun Po, Tony, Mr. Yick Kai Chung, Mr. Tse Hon Kit, Kevin and Mr. Tse Sun Lung, Alan, and their respective associates (who were interested in 85,857,411 Shares in aggregate as at the Latest Practicable Date, representing approximately 37.17% of the issued share capital of the Company) shall be required to abstain from voting on the relevant resolution(s) in respect of the Acquisition.

GENERAL

An Independent Board Committee comprising Messrs. Leung Kwong Kin J.P., Wong Wah, Dominic and Wan Sze Chung (all being independent non-executive Directors) has been established to (i) advise the Independent Shareholders as to whether the terms of the Provisional Sale and Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition is in the interests of the Company and the Shareholders as a whole; and (ii) advise the Independent Shareholders on how to vote in respect of the Provisional Sale and Purchase Agreement after taking into account the recommendation of Guangdong Securities.

THE EGM

A notice convening the EGM to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Hong Kong on Monday, 8 March 2010 at 10:00 a.m. or any adjournment (as the case may be) is set out from pages 29 to 30 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the Company's share registrar in Hong Kong, Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time for holding the EGM or adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 10 of this circular which contains its recommendation to the Independent Shareholders regarding the Acquisition. Your attention is also drawn to the letter of advice from Guangdong Securities set out from pages 11 to 17 of this circular which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders regarding the Acquisition, and the principal factors and reasons taken into account in arriving at its recommendation.

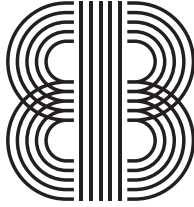
The Board considers that the terms of the Provisional Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders and the Shareholders to vote in favour of the relevant ordinary resolution(s) regarding the Acquisition to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices of this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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

怡邦行控股有限公司

(Stock Code: 599)

11 February 2010

To the Independent Shareholders,

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to the circular dated 11 February 2010 issued by the Company (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise the Independent Shareholders in relation to the Acquisition. Guangdong Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

We are of the view that the terms of Provisional Sale and Purchase Agreement, after taking into account the advice of Guangdong Securities as set out from pages 11 to 17 of the Circular, are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and that the Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Acquisition.

Yours faithfully,

Independent Board Committee

Mr. LEUNG Kwong Kin, J.P.

Mr. WONG Wah, Dominic

Mr. WAN Sze Chung

Independent Non-Executive Directors

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition for the purpose of inclusion in this circular.



粵海證券有限公司
GUANGDONG SECURITIES LIMITED

Units 2505–06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

11 February 2010

*To: The independent board committee and the independent shareholders
of E. Bon Holdings Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 11 February 2010 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 21 January 2010, the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Premises at the Consideration of HK\$50 million.

The Premises are presently leased by the Vendor to E. Bon Building Materials Company Limited (a wholly-owned subsidiary of the Company) as warehouses and car parks under the Leasing Agreement, which will expire on 19 March 2012. Further details regarding the Leasing Agreement were set out in the announcement of the Company dated 11 March 2009.

Pursuant to Chapter 14 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company. In addition, Negotiator Consultants Limited, being a wholly-owned subsidiary of Bache Hill Group Limited, is indirectly-owned by Mr. Tse Sun Fat, Henry, Mr. Tse Sun Po, Tony, Mr. Yick Kai Chung, Mr. Tse Hon Kit, Kevin and Mr. Tse Sun Lung, Alan respectively who are all key management personnel of the Company. As a result, the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Provisional Sale and Purchase Agreement is therefore subject to the approval of the Independent Shareholders by way of poll at the EGM whereby Mr. Tse Sun Fat, Henry, Mr. Tse Sun Po, Tony, Mr. Yick Kai

LETTER FROM GUANGDONG SECURITIES

Chung, Mr. Tse Hon Kit, Kevin and Mr. Tse Sun Lung, Alan and their respective associates shall be required to abstain from voting on the relevant resolution(s) in respect of the Acquisition.

The Independent Board Committee comprising Messrs. Leung Kwong Kin J.P., Wong Wah Dominic and Wan Sze Chung (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Provisional Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Acquisition is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Provisional Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM. We, Guangdong Securities, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

We have not made an independent evaluation or appraisal of the assets and liabilities of either the Group or the Vendor and we have not been furnished with any such evaluation or appraisal, save and except for the Valuation Report on the Premises prepared by the Valuer. We are not experts in the valuation of properties and therefore have relied solely upon the Valuation Report for the market value of the Premises as at 13 January 2010.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

LETTER FROM GUANGDONG SECURITIES

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company and the Vendor or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Acquisition. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Acquisition, we have taken into consideration the following principal factors and reasons:

1. The Provisional Sale and Purchase Agreement

On 21 January 2010, the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Premises at the Consideration of HK\$50 million. As confirmed by the Directors, the Consideration shall be satisfied partly by the internal financial resources of the Group and partly by the possible banking facilities available to the Group.

The Premises are presently leased by the Vendor to E. Bon Building Materials Company Limited (a wholly-owned subsidiary of the Company) as warehouses and car parks under the Leasing Agreement, which will expire on 19 March 2012. Further details regarding the Leasing Agreement were set out in the announcement of the Company dated 11 March 2009. Moreover, as referred to in the announcement of the Company dated 12 July 2006, the Premises have been leased to the Company as warehouses and car parks since March 2000.

The Premises comprise (i) Factory: Units A-D on 12th-14th Floor (inclusive) of E. Tat Factory Building, No. 4 Heung Yip Road, Wong Chuk Hang, Hong Kong, with total saleable area of approximately 30,717 sq.ft.; and (ii) Car parking spaces: Nos. 3 and 28 of E. Tat Factory Building, No. 4 Heung Yip Road, Wong Chuk Hang, Hong Kong.

Pursuant to the Provisional Sale and Purchase Agreement, the Vendor and the Purchaser shall enter into a formal sale and purchase agreement in respect of the Acquisition within 30 days from the date of getting approval from the Independent Shareholders at the EGM (which shall be held no later than 10 March 2010 pursuant to the terms of the Provisional Sale and Purchase Agreement) regarding the

LETTER FROM GUANGDONG SECURITIES

Provisional Sale and Purchase Agreement. The Acquisition shall be completed within 60 days from the date of the formal sale and purchase agreement in respect of the Acquisition.

As advised by the Directors, the Provisional Sale and Purchase Agreement was negotiated and entered into on arm's length basis between the parties thereto and the Directors are of the view that the terms and conditions of the Provisional Sale and Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

2. Background of and reasons for the Acquisition

The Company is an investment holding company and the Group is principally engaged in the import and sale of architectural builders hardware, bathroom, kitchen collections and furniture. The principal activity of the Vendor is property investment for rental income.

According to the Directors, the current lease of the Premises was entered into between the Company and the Vendor on 10 March 2009 for a term of three years commencing from 20 March 2009 and expiring on 19 March 2012 (both days inclusive) with a rental fee of HK\$185,000 per month (exclusive of management fee, government rent, government rates and other outgoings).

With reference to the Board Letter, the Directors considered that the Acquisition provides an excellent opportunity for the Group to (i) save ongoing rental payments for the Premises; (ii) eliminate the potential risks to the operation of the Group in the event that the Leasing Agreement could not be renewed upon its expiry in the future; and (iii) avoid the possible increase in rents for the Premises upon the expiry of the Leasing Agreement. Furthermore, in the event that the Vendor refuses to renew the Leasing Agreement upon its expiry and chooses to sell out the Premises instead, the Company will be required to move to new premises. In such case, additional relocation and renovation costs will be incurred not to mention that the Company would likely to be charged with possibly higher rental payment.

We noted from various research reports at public domain, such as (i) the monthly magazine and research report published by Midland IC&I Limited in November 2009 and December 2009; and (ii) the report issued by property.mpinance.com (明報置業網) on 16 December 2009, that the number of transactions and value of factory premises in Hong Kong have been rising recently due to a number of reasons, including but not limited to (i) the recent recovery of the economy of Hong Kong; (ii) an increasing amount of hot money pouring into Hong Kong (according to the Hong Kong Monetary Authority's internet web-site at www.info.gov.hk/hkma, the interbank liquidity expanded from about HK\$158,038 million as at 31 December 2008 to about HK\$264,567 million as at 31 December 2009); and (iii) the lack of newly built factory premises. Based on the aforementioned benefits of the Acquisition and the possible positive outlook of the Hong Kong property market (including the factory premises) as illustrated by those

LETTER FROM GUANGDONG SECURITIES

reports as stated above, and hence the possible resulting rising trend of the property prices, we concur with the Directors that the Acquisition is likely to save the future rental expenses of the Group, and at the same time lead to an accumulation in the asset portfolio of the Group, which would probably be beneficial to the Group in the future.

Having also taken into account that the Company has been occupying the Premises for around 10 years, we are of the view that the Acquisition would save the additional relocation and renovation costs of the Group and ease the possible inconvenience being created to the Group should the Vendor refuses to renew the Leasing Agreement upon its expiry. Moreover, the Group will save ongoing possible rising rental payments for the Premises upon Completion although the Group may be required to pay interests on the possible banking facilities to finance the Acquisition and there may be other additional costs incurred such as depreciation charge and other maintenance expenses. Given all of the foregoing, we consider that the Acquisition, even though is not conducted in the ordinary and usual course of business of the Company, is in the interests of the Company and the Shareholders as a whole.

3. Terms of the Provisional Sale and Purchase Agreement

Basis of the Consideration

Pursuant to the Provisional Sale and Purchase Agreement, the Consideration of HK\$50 million shall be satisfied by cash in the following manner:

- (i) HK\$200,000 as an initial deposit upon signing of the Provisional Sale and Purchase Agreement that is refundable should the Company fail to secure the approval of the Acquisition in the EGM;
- (ii) HK\$5 million as a further deposit upon signing of the formal sale and purchase agreement in respect of the Acquisition; and
- (iii) HK\$44.8 million upon Completion.

In light of that the initial deposit is refundable should the Company fail to secure the approval of the Acquisition in the EGM and it represents only 0.4% of the Consideration, we consider that the payment terms of the Consideration were fairly and reasonably determined.

As referred to in the Board Letter, the Consideration was determined between the Purchaser and the Vendor after arm's length negotiations and on normal commercial terms, taking into account (i) the Valuation of approximately HK\$52 million as at 13 January 2010 valued by the Valuer using the direct comparison method; (ii) the current rental fee of HK\$185,000 per month for the Premises under the Leasing Agreement; and (iii) the outlook of the property market in Hong Kong.

LETTER FROM GUANGDONG SECURITIES

Valuation of the Premises

To assess the fairness and reasonableness of the Consideration, we have reviewed the Valuation Report and enquired into the Valuer on the methodology adopted and the basis and assumptions used in arriving at the Valuation. In the course of our enquiry, we noted that the Valuer carried out a site visit to the Premises on 19 January 2010 to research for the necessary information to determine the market value of the Premises. The Valuer further explained that it has adopted the direct comparison method under the market approach for the Valuation. As confirmed by the Valuer, the market approach is commonly adopted for valuation of properties in Hong Kong and is also consistent with normal market practice.

Further details of the basis and assumptions of the Valuation are included in the Valuation Report as contained in Appendix I to the Circular. During our discussion with the Valuer, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the principal basis and assumptions adopted for the Valuation. However, Shareholders should note that valuation of assets or companies usually involves assumptions and therefore the Valuation may or may not be able to reflect the true market value of the Premises accurately.

In light of that the Valuation of approximately HK\$52 million as at 13 January 2010 was fairly and reasonably determined by the Valuer and the Consideration represents a discount of approximately 3.85% to the Valuation, we consider that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

4. Possible financial effects of the Acquisition

As extracted from the Board Letter and further confirmed by the Directors, the Acquisition would have no material impact on the net asset position of the Group.

Furthermore, as the Consideration will be satisfied partly by the internal financial resources of the Group and partly by the possible banking facilities available to the Group, the Group's total borrowings would be increased, while the working capital of the Group would be reduced. The gearing level of the Group would thus also be increased upon Completion. However, based on the potential benefits of the Acquisition as demonstrated under the section headed "Background of and reasons for the Acquisition" of this letter, we consider that the increase in gearing level of the Group is acceptable.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon completion of the Acquisition.

LETTER FROM GUANGDONG SECURITIES

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Provisional Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Provisional Sale and Purchase Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from RHL Appraisal Ltd., an independent valuer, in connection with its valuation as at 13 January 2010 of the property interests to be acquired by E. Bon Holdings Limited and its subsidiaries.



永利行評值顧問有限公司
RHL Appraisal Limited
Corporate Valuation & Advisory

T +852 2730 6212
F +852 2736 9284

Room 1010, 10/F, Star House
Tsimshatsui, Hong Kong

11 February 2010

The Directors

E. Bon Holdings Limited

16th Floor
First Commercial Building,
No. 33 Leighton Road,
Hong Kong

Dear Sirs,

INSTRUCTIONS

We were instructed by **E. Bon Holdings Limited** (referred to as the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) to value the property interests to be acquired by the Group located in Hong Kong, we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 13 January 2010 (referred to as the “**Valuation Date**”).

This letter which forms part of our valuation report explains the basis and methodology of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

BASIS OF VALUATION

Our valuation of the property interests represents their market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

VALUATION METHODOLOGY

For the property interests to be acquired by the Group for owner occupation in Hong Kong, the direct comparison method is adopted where comparison based on prices realised on actual sales of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

VALUATION CONSIDERATIONS

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors effective from 1st January 2005.

VALUATION ASSUMPTIONS

As the property interests held under long term Government Leases, we have assumed that the owner has free and uninterrupted rights to use the property interests during the whole of the unexpired term of their respective land use rights period without payment of any additional premium or substantial sum of taxes or expenses to the government.

Our valuation has been made on the assumption that the owner sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

No allowance has been made in our report for any outstanding or additional land premium, charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

Other special assumptions of the property interests, if any, have been stated out in the footnotes of the valuation certificate attached herewith.

TITLE INVESTIGATION

We have been, in some instances, shown copies of various documents relating to the property interests and have made relevant enquiries. We also caused searches to be made at the Hong Kong Land Registry and have made relevant enquiries. However, we have not examined the original documents to verify the existing title to the property interests and any material encumbrances that might be attached to the property interests or any lease amendments.

All legal documents provided by the Group have been used for reference only. No responsibility regarding legal title to the property interests is assumed in this valuation report.

LIMITING CONDITIONS

We have inspected the exterior and, where possible, the interior of the property interests. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the property interests are free of rot, infestation or any other structural defects. No tests were carried out on any of the services. Our valuation has been made on the basis that there is no substantial change in the physical conditions of the property interests between the Valuation Date and the date of our inspection.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the property interests but have assumed that the site areas shown on the documents handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

EXCHANGE RATE

We have valued the property interests in Hong Kong Dollar (HKD).

Our valuation certificate is herewith attached.

Yours faithfully,
For and on behalf of
RHL Appraisal Ltd.

Serena S. W. Lau	Ian K. F. Ng
CHKIS, AAPI, MRICS, RPS(GP), MBA(HKU)	MBA BSc(EstMan) BSc MHKIS MRICS RPS(GP)
<i>Managing Director</i>	<i>Senior Associate Director</i>

Ms. Serena S. W. Lau is a Registered Professional Surveyor with over 19 years' experience in valuation of properties in HKSAR, Macau SAR, mainland China and the Asia Pacific Region. Ms. Lau is a chartered surveyor of The Royal Institution of Chartered Surveyors; an Associate of Australian Property Institute, a Fellow of The Hong Kong Institute of Surveyors as well as a registered real estate appraiser in the PRC.

Mr. Ian K. F. Ng is a Registered Professional Surveyor with over 7 years' experience in valuation of properties in HKSAR, Macau SAR and mainland China. Mr. Ng is a Professional Member of The Hong Kong Institute of Surveyors as well as a chartered surveyor of The Royal Institution of Chartered Surveyors.

VALUATION CERTIFICATE

Property interests to be acquired by the Group for owner occupation in Hong Kong

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 13 January 2010 HKD
Factory Units A, B, C & D on 12th Floor, Factory Units A, B, C & D on 13th Floor, Factory Units A, B, C & D on 14th Floor, Car Parking Space Nos. 3 and 28 on G/F, E Tat Factory Building, No. 4 Heung Yip Road, Hong Kong	The property comprises 12 industrial units on the 12th, 13th and 14th Floor and 2 car parking spaces on ground floor of a 24-storey industrial building completed in 1974.	The property is currently leased by the Group as warehouse and carparking uses.	52,000,000 (Hong Kong Dollar Fifty Two Million Only)
118/1000th shares of Aberdeen Inland Lot No. 375	The total saleable area of the industrial units of the property is approximately 30,717 sq. ft..		
	The property is held under Conditions of Sale No. 10042 for a term of 75 years renewable for 75 years commencing from 29 September 1971. The current government rent payable for the subject lot is HKD446 per annum.		

Notes:

1. The registered owner of the property interests is Negotiator Consultants Limited.
2. Pursuant to a Tenancy Agreement and a Supplemental Lease Agreement both entered into between Negotiator Consultants Limited and E. Bon Building Materials Company Limited (怡邦行建築材料有限公司) dated 11 July 2006 and 10 March 2009 respectively, the property interests has been leased to E. Bon Building Materials Company Limited (怡邦行建築材料有限公司) for a term of 3 years commencing on 20 March 2009 and expiring on 19 March 2012 with a monthly rent of HKD185,000 exclusive of government rates, government rent, management fee and other utility fees.
3. The property falls within an area zoned "Other Specified Uses (1) (Business)" under Aberdeen & Ap Lei Chau Outline Zoning Plan No. S/H15/24.
4. As advised by the Company, E. Bon Building Materials Company Limited (怡邦行建築材料有限公司) is wholly-owned subsidiary of the Group.
5. As advised by the Company, Negotiator Consultants Limited is a connected party of the Company.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director and chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules are set out below:

(i) Long positions in the Shares

Name of director	Nature of interest	Total interests	Approximate percentage of interests
Mr. Tse Sun Fat, Henry (<i>Note 1</i>)	Corporate	13,805,105	5.98%
Mr. Tse Sun Po, Tony (<i>Note 2</i>)	Corporate	16,467,518	7.13%
Mr. Yick Kai Chung	Personal	6,076,674	2.63%
Mr. Tse Hon Kit, Kevin (<i>Note 3</i>)	Corporate	40,034,804	17.33%
Mr. Tse Sun Lung, Alan	Personal	9,473,310	4.10%

Note 1: The interests in shares of the Company is held by Fast Way Management Limited. Mr. Tse Sun Fat, Henry and his spouse are the beneficiaries.

Note 2: The interests in shares of the Company is held by New Happy Times Limited. Mr. Tse Sun Po, Tony and his family are the beneficiaries.

Note 3: The interests in shares of the Company is held by Universal Star Group Limited. Mr. Tse Hon Kit, Kevin and his family are the beneficiaries.

The following is the Directors' beneficial holding of interests in the shares of the Vendor:

Name of director	Capacity	Nature of interests	Approximate percentage of interests
Mr. Tse Sun Fat, Henry (<i>Note 4</i>)	Director	Corporate	8.54%
Mr. Tse Sun Po, Tony (<i>Note 5</i>)	Director	Corporate	10.19%
Mr. Yick Kai Chung	Shareholder	Personal	4.80%
Mr. Tse Hon Kit, Kevin (<i>Note 6</i>)	Shareholder	Corporate	24.76%
Mr. Tse Sun Lung, Alan	Director	Personal	6.05%

Note 4: The interests in shares of the Company is held by Fast Way Management Limited. Mr. Tse Sun Fat, Henry and his spouse are the beneficiaries.

Note 5: The interests in shares of the Company is held by New Happy Times Limited. Mr. Tse Sun Po, Tony and his family are the beneficiaries.

Note 6: The interests in shares of the Company is held by Universal Star Group Limited. Mr. Tse Hon Kit, Kevin and his family are the beneficiaries.

(ii) *Short positions in the Shares underlying shares of equity derivatives of the Company*

So far as the Directors are aware of, no persons had short positions in the Shares or underlying shares of equity derivatives of the Company as at the Latest Practicable Date.

(iii) *Short positions in the Shares and underlying shares of equity derivatives of the Company*

As at Latest Practicable Date, none of the Directors had short position in the Shares or underlying shares of equity derivatives of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the chief executive of the Company nor their associates, had any other interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or which (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or which (c) were required to be notified to the Company or the Stock Exchange, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules.

(b) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO

As at the Latest Practicable Date, the register of substantial shareholders maintained under section 336 of the SFO, shown that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

(i) Long positions in the Shares, underlying shares of equity derivatives of the Company

Name of shareholder	Nature of interests	Number of shares held	Approximate percentage of interests
Universal Star Group Limited (Note 7)	Corporate	40,034,804	17.33%
Mr. Tse Hon Kit, Kevin (Note 7)	Corporate	40,034,804	17.33%
Happy Voice Limited	Corporate	28,300,465	12.25%
New Happy Times Limited (Note 8)	Corporate	16,467,518	7.13%
Mr. Tse Sun Po, Tony (Note 8)	Corporate	16,467,518	7.13%
Fast Way Management Limited (Note 9)	Corporate	13,805,105	5.98%
Mr. Tse Sun Fat, Henry (Note 9)	Corporate	13,805,105	5.98%

Note 7: The interests in shares of the Company is held by Universal Star Group Limited. Mr. Tse Hon Kit, Kevin and his family are the beneficiaries.

Note 8: The interests in shares of the Company is held by New Happy Times Limited. Mr. Tse Sun Po, Tony and his family are the beneficiaries.

Note 9: The interests in shares of the Company is held by Fast Way Management Limited. Mr. Tse Sun Fat, Henry and his spouse are the beneficiaries.

(ii) Short positions in the Shares, underlying shares of equity derivatives of the Company

So far as the Directors are aware of, no persons had short positions in the Shares or underlying shares of equity derivatives of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who had any other interests or short positions in the Shares or underlying Shares and debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any person (other than a Director or chief executive of the Company) who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

3. DIRECTORS' SERVICE CONTRACTS

Each of Mr. Tse Sun Fat, Henry and Mr. Tse Sun Po, Tony has entered into a service contract with the Company for a term of three years commencing on 1 March 2000 and continuing thereafter unless terminated by either party with at least three months advance notice in writing.

Mr. Lau Shiu Sun has entered into a service contract with the Company for a term of three years commencing on 10 December 2001 and continuing thereafter unless terminated by either party with at least three months advance notice in writing.

Each of Mr. Fung Cheuk Hang, Jackie and Mr. Tse Hon Kit, Kevin has entered into a service contract with the Company for a term of three years commencing on 3 October 2007 and 8 September 2008 and will continue thereafter unless terminated by either party by three months prior written notice to other party.

Save as disclosed herein, none of the directors of the Company has entered into any service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or proposed Directors, directly or indirectly, had any interest in any assets which had since 31 March 2009 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

There is no contract or arrangement subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant to the business of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which competes or may compete with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder).

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial and trading position of the Group since 31 March 2009 (being the date to which the latest published audited financial statements of the Group were made up) and up to the Latest Practicable Date.

Litigation

As at the Latest Practical Date, no member of the Group was engaged in any litigation or claims of material importance and, so far as the Directors are aware, no litigation or claim of material importance was pending or threatened against any member of the Group other than those disclosed as follows:

In August 2001, a subsidiary of the Company (the “**Subsidiary**”) sued one of its customers (the “**Defendant**”) for recovery of an amount of approximately HK\$5,333,000 in respect of goods sold and delivered to the Defendant. In September 2001, the Defendant filed a counter-claim in a sum of approximately HK\$6,148,000 against the Subsidiary for the alleged losses and damages as a result of the alleged breach of the supply agreement entered into between the Defendant and the Subsidiary. The case is now in the stage where the parties’ expert reports are to be exchanged and the directors of the Company, on the basis of independent legal advice obtained, consider the Subsidiary has a good arguable case against the Defendant for the counter-claim and accordingly no provision in respect of the debt due or the amount of the counter-claim has been made in the financial statements of the Group.

7. QUALIFICATION AND CONSENT OF EXPERTS

The following are the qualification of the experts who have given opinion or advice which are contained in this circular:

Name	Qualification
Guangdong Securities	a licensed corporation for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
Valuer	an independent qualified property valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reference to its name or opinion in the form and context in which it appears.

As at the Latest Practicable Date, each of the experts above was not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the experts above did not, directly or indirectly, had any interest in any assets which had since 31 March 2009 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

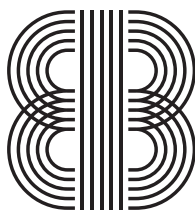
- (a) The registered address of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is at 16th–18th Floors, First Commercial Building, 33 Leighton Road, Causeway Bay, Hong Kong.
- (c) The company secretary of the Company is Mr. Ip Fu Wa, Benthony.
- (d) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during business hours at the head office and principal place of business of the Company at 16th–18th Floors, First Commercial Building, 33 Leighton Road, Causeway Bay, Hong Kong from the date of this circular up to and including the date of EGM:

- (a) the Provisional Sale and Purchase Agreement;
- (b) the letter from the Independent Board Committee;
- (c) the Valuation Report;
- (d) the letter of advice from Guangdong Securities;
- (e) the Directors' Service Contracts as referred to in this circular; and
- (f) the written consents from the experts as referred to under the section headed "Qualification and Consents of Expert" in this appendix.

NOTICE OF EGM



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

怡邦行控股有限公司

(Stock Code: 599)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of E. Bon Holdings Limited (the “**Company**”) will be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Hong Kong on Monday, 8 March 2010 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution (with or without modifications) by way of poll as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (i) The acquisition of the premises comprise (i) Factory: Units A–D on 12th–14th Floor (inclusive) of E. Tat Factory Building, No. 4 Heung Yip Road, Wong Chuk Hang, Hong Kong; and (ii) Car parking spaces Nos. 3 and 28 of the same building (the “**Premises**”) be and is hereby approved;
- (ii) The Provisional Sale and Purchase Agreement (as defined in the circular of which this notice forms part (the “**Circular**”)) dated 21 January 2010 entered into between Asia Bon Company Limited, a wholly-owned subsidiary of the Company and Negotiator Consultants Limited in relation to purchase of the Premises (a copy of the Provisional Sale and Purchase Agreement has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated therein be and are hereby approved, confirmed and ratified in all respects; and
- (iii) Any one of the Directors of the Company be and is hereby authorised to take all actions and to sign, execute and deliver all such agreement, instruments and deeds for and on behalf of the Company as he may in his discretion consider fit or desirable for the purpose of effecting the acquisition of the Premises from Negotiator Consultants Limited.

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

Hong Kong, 11 February 2010

NOTICE OF EGM

Registered office:
Cricket Square
Hutchins Drive
P O Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
16th–18th Floors
First Commercial Building
33 Leighton Road
Causeway Bay
Hong Kong

Notes:

1. A form of proxy for use at the meeting is enclosed.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
4. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such authority, must be deposited at the office of the Company's Share Registrar, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting, as the case may be.
5. The ordinary resolution as set out above will be determined by way of a poll pursuant to Rule 13.39(4) of Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.
6. As at the date of this notice, the executive directors of the Company are Messrs. Tse Sun Fat Henry, Tse Sun Po Tony, Lau Shiu Sun, Yick Kai Chung Donald, Fung Cheuk Hang Jackie and Tse Hon Kit Kevin and the independent non-executive directors of the Company are Messrs. Leung Kwong Kin J.P., Wong Wah Dominic and Wan Sze Chung.
7. The translation in Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.