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ERNEST BOREL HOLDINGS LIMITED

依波路控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1856)

INSIDE INFORMATION ANNOUNCEMENT PROFIT WARNING

This announcement is made by Ernest Borel Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and under Rule 13.09 of the Listing Rules.

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the Board’s preliminary review of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2016, it is expected that the Group will record a net loss for the six months ending 30 June 2016 as compared to a net profit of approximately HK\$10.2 million in the corresponding period in 2015. This expected decrease is primarily attributable to a decrease in revenue of approximately 31% based on the unaudited consolidated management accounts of the Group for the five months ended 31 May 2016 and decrease in gross profit and margin due to the deterioration of the premium watch retail market in PRC and Hong Kong as compared to the same period in 2015 leading to a decrease in orders placed by watch retailers.

The information in this announcement is only based on the information currently available to the Company and the Board’s preliminary review of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2016, which have not been audited or reviewed by the auditors of the Company. Further, the information in this announcement is not based on any figures or information reviewed or approved by the audit committee of the Board. Accordingly, the actual results of the Group for the six months ending 30 June 2016 may differ from the information contained in this announcement. Shareholders and

potential investors are advised to refer to the details of the Group's interim results announcement for the six months ending 30 June 2016, which is expected to be released before the end of August 2016 in accordance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board of
Ernest Borel Holdings Limited
Su Da
Chairman

Hong Kong, 24 June 2016

As at the date of this announcement, the directors of the Company are:

Executive directors: Mr. Su Da, Mr. Wong Pong Chun James, Ms. Liu Libing

Non-executive directors: Mr. Chan Kwan Pak Gilbert and Mr. Pan Di

Independent non-executive directors: Mr. Lo Chi Chiu, Mr. Cheung Kam Min Mickey and Dr. Yau Bun