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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)

COMPLETION OF ISSUE OF CONVERTIBLE BOND

The Board is pleased to announce that all conditions precedent under the Subscription Agreement have been fulfilled. Completion of the Subscription Agreement has taken place and the Convertible Bonds in the aggregate principal amount of HK\$100,000,000 were issued to the Subscriber on 11 January 2017.

Reference is made to the announcement (the “Announcement”) issued by Ernest Borel Holdings Limited (the “Company”) dated 5 January 2017 in relation to the proposed issue of HK\$100,000,000 10% convertible bonds due 2019. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF ISSUE OF CONVERTIBLE BONDS

The Board is pleased to announce that all conditions precedent under the Subscription Agreement have been fulfilled. Completion of the Subscription Agreement has taken place and the Convertible Bonds in the aggregate principal amount of HK\$100,000,000 were issued to the Subscriber on 11 January 2017.

The approval for the listing of, and permission to deal in, the Conversion Shares upon conversion of the Convertible Bonds has been granted by the Listing Committee of the Stock Exchange.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are independent of the Company and its connected persons (as defined in the Listing Rules).

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table shows the shareholding structure immediately before and after the exercise in full of the conversion rights attaching to the Convertible Bond at the initial Conversion Price of HK\$2.00 per Share, assuming the outstanding aggregate principal amount of the Convertible Bond is HK\$100,000,000.

Shareholders	(i) as of the date of this announcement		(ii) Immediately after full conversion of the Convertible Bond at the initial Conversion Price of HK\$2.00	
	<i>Number of shares</i>	<i>%</i>	<i>Number of shares</i>	<i>%</i>
Sense Control International Limited	99,755,000	28.71%	99,755,000	25.10%
Top One Global Holdings Limited	68,800,000	19.80%	68,800,000	17.31%
Prime Route Investment Limited	37,935,000	10.92%	37,935,000	9.55%
Dragon Cloud Holdings Limited	33,720,000	9.71%	33,720,000	8.48%
Subscriber	–	0.00%	50,000,000	12.58%
Other public Shareholders	<u>107,227,000</u>	<u>30.86%</u>	<u>107,227,000</u>	<u>26.98%</u>
Total	<u>347,437,000</u>	<u>100.00%</u>	<u>397,437,000</u>	<u>100.00%</u>

By Order of the Board
Ernest Borel Holdings Limited
Sit Yau Chiu
Chairman

Hong Kong, 12 January 2017

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

<i>Executive directors:</i>	Mr. Sit Yau Chiu, Mr. Xiong Wei and Ms. Liu Libing
<i>Non-executive directors:</i>	Mr. Chan Kwan Pak Gilbert, Mr. Pan Di and Ms. Lou Liuqing
<i>Independent non-executive directors:</i>	Mr. Lo Chi Chiu, Mr. Choi Tze Kit Sammy and Mr. To Chun Kei