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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)

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 Board’s preliminary review of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2017, it is expected that the Group will record a net loss for the six months ending 30 June 2017 as compared to the corresponding period in 2016. This expected decrease is primarily attributable to the provisions made to the loss of inventories and decrease in gross profit and margin due to a decrease in revenue of approximately 28% as compared to the same period in 2016 leading to a decrease in orders placed by watch retailers and authorized distributors.

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 2017, 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 2017 may differ from the information contained in this announcement.

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
Sit Yau Chiu
Chairman

Hong Kong, 3 July 2017

As at the date of this announcement, the directors of the Company (the “**Directors**”) are:–

Executive directors: Mr. Sit Yau Chiu and Mr. Xiong Wei

Non-executive directors: Mr. Chan Kwan Pak Gilbert, Mr. Pan Di and Ms. Lou Liuqing

Independent non-executive directors: Mr. Lo Chi Chiu, Mr. Choi Tze Kit Sammy and Mr. To Chun Kei