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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)

VOLUNTARY ANNOUNCEMENT ISSUANCE OF HK\$100 MILLION 8.5% GUARANTEED NOTES DUE 2019

This is a voluntary announcement made by the Company in relation to the Subscription.

The Board announces that on 18 September 2017, the Company, as the issuer, entered into the Subscription Agreement with the Subscriber in connection with the Subscription. The Notes will be issued by the Company and guaranteed by the Guarantors and will be denominated in HK dollars, be due in 2019 if not redeemed after the first anniversary of the Issue Date and will bear a fixed interest rate of 8.5% per annum during its term with interest payable quarterly in arrears.

ISSUE OF THE NOTES

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THE SUBSCRIPTION AGREEMENT

Pursuant to the Subscription Agreement, upon the satisfaction of certain conditions, the Company agreed to issue and the Subscriber agreed to subscribe for the Notes up to the aggregate principal amount of HK\$100,000,000.

Conditions to completion of the Subscription Agreement

The obligations of the Subscriber to subscribe and pay for the Notes are conditional upon, among other things, (i) the Subscriber having received certain documents in the form and substance satisfactory to the Subscriber or otherwise waived by the Subscriber, including the signing of the Personal Guarantee; (ii) the representations and warranties of each obligor in the finance documents to which it is a party shall be correct, accurate and not misleading and (iii) the satisfactory results in the opinion of the Subscriber on commercial, financial and legal due diligence of each of the obligor, the Group and their respective business.

Termination of the Subscription Agreement

Pursuant to the terms of the Subscription Agreement, the Subscriber may terminate the Subscription Agreement by notifying the Company of its intention to terminate if any one or more of the conditions precedent is not fulfilled or satisfied within one month of the execution of the Subscription Agreement.

PROPOSED USE OF PROCEEDS

The Company intends to use the net proceeds of the Notes Issue solely for financing the working capital requirements of the Company.

GENERAL

No application will be made for the listing of the Notes. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owner(s) are third parties independent of and are not connected persons (as defined under the Listing Rules) of the Company.

Shareholders and potential investors should note that the Subscription is subject to conditions and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“Board” the Board of Directors

“Company” Ernest Borel Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guarantors”	the Company and Mr. Sit
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Date”	a date on which completion of the Subscription by the Subscriber occurs
“Listing Rules”	The Rules Governing the Listing Securities on the Stock Exchange
“Mr. Sit”	Mr. Sit Yau Chiu, an executive Director, the chairman and a substantial Shareholder of the Company
“Note Instrument”	the note instrument to be executed by the Company and the Subscriber pursuant to the Subscription Agreement
“Notes”	HK\$100,000,000 8.5% guaranteed notes of the Company due 2019 (if not redeemed after the first anniversary of the Issue Date pursuant to the Note Instrument)
“Notes Issue”	the issue of the Notes pursuant to the Subscription Agreement by the Company
“Personal Guarantee”	the deed of guarantee to be entered into by Mr. Sit in favour of the Subscriber in relation to the Notes
“Shareholder(s)”	holder(s) of the issued Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	COFCO Capital (Hong Kong) Co., Limited
“Subscription”	the subscription of the Notes pursuant to the Subscription Agreement by the Subscriber

“Subscription Agreement” the conditional subscription agreement dated 18 September 2017 and entered into between the Company as issuer and the Subscriber as subscriber in respect of the Notes Issue

“%” per cent

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

Hong Kong, 18 September 2017

As at the date of this announcement, the Board comprises:

Executive directors: Mr. Sit Yau Chiu (*Chairman*) and Mr. Xiong Wei

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

Independent non-executive directors: Mr. Lo Chi Chiu and Mr. To Chun Kei