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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2017

Reference is made to (i) the annual report of Ernest Borel Holdings Limited (the “**Company**”) for the year ended 31 December 2017 (the “**Annual Report**”) published on 26 April 2018; and (ii) the announcement of the Company dated 5 January 2017 (the “**Announcement**”) in relation to the issue of 10% guaranteed convertible bond due 2019 in the principal amount of HK\$100,000,000 under general mandate (the “**Convertible Bond**”). Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the Annual Report.

In addition to the information in relation to the Convertible Bond as disclosed under among others, the sections headed “Convertible Bond” and the “Notes to the Consolidated Financial Statements” in the Annual Report, the board of directors of the Company (the “**Board**”) would like to provide additional information on the Annual Report in respect of the Convertible Bond.

On 5 January 2017, the Company as issuer entered into a subscription agreement, which is an equity-linked agreement, with Phoenix Green Limited as subscriber in respect of the issuance of the Convertible Bond. The net proceeds from the issuance of the Convertible Bond amounting to approximately HK\$97,820,000 (the “**Proceeds**”) were intended to be used by the Group to fund the day-to-day operations of the business as operated by the Group and to expand its sales network as disclosed in the Announcement.

As at 31 December 2017, the Proceeds had been utilized by the Company as follows:

- (i) approximately 98.9%, being HK\$96,698,000, for funding day-to-day operations of the business as operated by the Group as general working capital of the Company to, among others, settle current liabilities and pay for cost of sales, distribution and administrative expenses and finance costs; and
- (ii) approximately 1.1%, being HK\$1,122,000, for expanding the Group’s sales network.

The Proceeds had been applied in accordance with the intended use as disclosed in the Announcement.

The above additional information does not affect other information contained in the Annual Report and the content of the Annual Report remain correct and unchanged.

By Order of the Board of
ERNEST BOREL HOLDINGS LIMITED
Sit Yau Chiu
Chairman

Hong Kong, 10 August 2018

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

<i>Executive Directors:</i>	Mr. Sit Yau Chiu and Mr. Xiong Wei
<i>Non-executive Director:</i>	Ms. Lou Liuqing
<i>Independent non-executive Directors:</i>	Mr. Lui Wai Ming, Mr. To Chun Kei and Ms. Chan Lai Wa