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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 year ended 31 December 2017, it is expected that the Group will record a net loss for the year ended 31 December 2017. This expected loss is primarily attributable to (1) the increase in the provisions of trade receivables; (2) the provisions made to the loss of inventories; (3) the increase in finance costs and (4) the decrease in gross profit and margin due to a decrease in revenue of approximately 9% as compared to the same period in 2016 resulting from 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 year ended 31 December 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 year ended 31 December 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, 2 March 2018

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

Executive Directors:

Mr. Sit Yau Chiu and Mr. Xiong Wei

Non-executive Directors:

Mr. Chan Kwan Pak Gilbert and Ms. Lou Liuqing

Independent non-executive Directors:

Mr. Lui Wai Ming, Mr. To Chun Kei and Ms. Chan Lai Wa