ERNEST BOREL
1856

ERNEST BOREL HOLDINGS LIMITED
依波路控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1856)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

FINANCIAL HIGHLIGHTS

- Revenue for the financial period ended 30 June 2020 ("**1HFY2020**") decreased from HK$55.7 million to HK$38.2 million when compared with the corresponding period of last year ("**1HFY2019**").
- Gross margin for 1HFY2020 increased from 44.3% to 54.7%. Gross profit for 1HFY2020 decreased from HK$24.7 million to HK$20.9 million.
- Loss after tax decreased from HK$27.5 million for 1HFY2019 to HK$10.1 million for 1HFY2020.
- Basic loss per share was HK2.91 cents for 1HFY2020 and was HK7.90 cents for 1HFY2019.

RESULTS

The board of directors (the "**Board**") of Ernest Borel Holdings Limited (the "**Company**") announces the unaudited condensed consolidated results of our Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2020

		For the six months ended 30 June	
		2020	2019
	NOTES	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue		**38,236**	55,734
Cost of sales		**(17,374)**	(31,036)
Gross profit		**20,862**	24,698
Other gains and losses, net		**(2,145)**	399
Other income		**762**	628
Distribution expenses		**(16,810)**	(19,577)
Administrative expenses		**(12,065)**	(28,124)
Finance costs		**(5,621)**	(5,360)
Loss before tax		**(15,017)**	(27,336)
Income tax credit/(expense)	*4*	**4,902**	(122)
Loss for the period attributable to owners of the Company	*5*	**(10,115)**	(27,458)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Remeasurement of defined benefit scheme		**525**	(1,316)
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**3,273**	1,054
Other comprehensive income for the period		**3,798**	(262)
Total comprehensive income for the period		**(6,317)**	(27,720)
Loss per share — (expressed in HK cents)			
Basic and diluted	*7*	**(2.91)**	(7.90)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	NOTES	As at 30 June 2020 HK$'000 (Unaudited)	As at 31 December 2019 HK$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**28,479**	26,448
		28,479	26,448
Current assets			
Inventories		**327,713**	326,900
Trade and other receivables	*8*	**36,546**	41,971
Restricted bank deposits		**1,243**	1,260
Bank balances and cash		**16,371**	18,735
		381,873	388,866
Current liabilities			
Trade and other payables	*9*	**16,112**	33,252
Tax payable		**2,418**	2,388
Lease liabilities		**6,916**	6,385
Amounts due to fellow subsidiaries		**148,492**	144,132
Amount due to ultimate holding company		**43,107**	39,488
Amounts due to directors		**17,000**	22,241
Bank borrowings		**17,448**	–
		251,493	247,886
Net current assets		**130,380**	140,980
Total assets less current liabilities		**158,859**	167,428

	NOTES	As at 30 June 2020 HK$'000 (Unaudited)	As at 31 December 2019 HK$'000 (Audited)
Non-current liabilities			
Lease liabilities		**1,757**	3,023
Deferred tax liabilities		**15,620**	20,360
Pension obligation		**3,298**	3,617
Bank borrowings		**4,073**	–
		24,748	27,000
Net assets		**134,111**	140,428
EQUITY			
Equity attributable to owners of the Company			
Share capital		**3,474**	3,474
Reserves		**130,637**	136,954
Total equity		**134,111**	140,428

NOTES

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard 34 ("**IAS 34**") "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange (the "**Listing Rules**").

The condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2019 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2020.

The preparation of these condensed consolidated interim financial statements in compliance with IAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These condensed consolidated interim financial statements are presented in Hong Kong Dollars ("**HK$**"), unless otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (the "**IFRSs**") and should be read in conjunction with the 2019 consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the amount received or receivable for the sales of watches products, less returns and trade discounts, during the interim period. The revenue of the Group are recognised at point in time.

The Group's principal activities are manufacturing and sales of watches. Information reported to the chief operating decision makers, being the executive directors of the Company, for resources allocation and performance assessment, is based on the Group's overall performance, which is considered as a single operating segment. Segment revenue and results are therefore the same as the respective amounts presented in the condensed consolidated statement of profit or loss and other comprehensive income and the condensed consolidated statement of financial position. Entity-wide disclosures of segment information are set out below.

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers based on the location of customers.

	Revenue from external customers For the six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
People's Republic of China ("**PRC**")	**36,283**	46,923
Hong Kong and Macau	**708**	4,327
Others	**1,245**	4,484
	38,236	55,734

Information about major customers

During the period, there is no revenue from customers contributing over 10% of the total sales of the Group (1HFY2019: Nil).

4. INCOME TAX (CREDIT)/EXPENSE

	For the six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax	**–**	–
Switzerland income tax	**69**	130
PRC Enterprise Income Tax	**–**	–
	69	130
Deferred tax credit	**(4,971)**	(8)
Income tax (credit)/expense for the period	**(4,902)**	122

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both periods. No provision for Hong Kong profits tax has been made for both periods as the Group has no assessable profits arising in Hong Kong.

Switzerland income tax is calculated at certain tax rates on the assessable income for both periods. Under relevant Tax Law in Switzerland, the Group's subsidiary incorporated in Switzerland was subject to Direct Federal Tax ("**DFT**") of 10.0% (six months ended 30 June 2019: 8.5%) and Cantonal Communal Tax ("**CCT**") of 8.50% (six months ended 30 June 2019: 16.18%).

Swiss Federal withholding tax is levied at a rate of 35% on the distribution of the profit of the company incorporated in Switzerland for both periods.

Under the laws of PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of EIT Law, the tax rate of the PRC subsidiary is 25% (six months ended 30 June 2019: 25%). No provision for Enterprise Income Tax has been made for both periods as the Group has no assessable profits arising in the PRC.

5. LOSS FOR THE PERIOD

	For the six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging/(crediting):		
Cost of inventories recognised as expenses, including	**17,374**	31,036
— Reversal of allowance for inventories	**(1,974)**	(2,735)
Depreciation of property, plant and equipment	**3,252**	7,672

6. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2020 and 2019, nor has any dividend been proposed since the end of the reporting period.

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the six months ended 30 June 2020 is based on the loss attributable to the owners of the Company of HK$10,115,000 (six months ended 30 June 2019: HK$27,458,000) and on the weighted average number of 347,437,000 (six months ended 30 June 2019: 347,437,000) ordinary shares in issue during the period.

There is no potential dilutive ordinary shares outstanding for the six months ended 30 June 2020 and thus the dilute loss per share is the same as the basic loss per share.

8. TRADE AND OTHER RECEIVABLES

	As at 30 June 2020 HK$'000 (Unaudited)	As at 31 December 2019 HK$'000 (Audited)
Trade receivables, gross	**49,602**	55,585
Less: impairment loss allowance	**(21,177)**	(21,534)
Trade receivables, net	**28,425**	34,051
Other receivables	**2,364**	1,111
Other tax recoverable	**–**	1,162
Prepayments	**2,674**	2,625
Deposits	**3,083**	3,022
	8,121	7,920
Total trade and other receivables	**36,546**	41,971

Included in the trade receivables, amounts of HK$947,000 (2019: HK$756,000) are due from the fellow subsidiaries of the Company.

The Group allows a credit period ranging from 30 to 120 days to its trade customers. The following is an ageing analysis of trade receivables, net of impairment loss allowance, presented based on the invoice date which approximates the respective revenue recognition date:

	As at 30 June 2020 HK$'000 (Unaudited)	As at 31 December 2019 HK$'000 (Audited)
0–90 days	**14,069**	20,571
91–180 days	**4,561**	8,639
181–270 days	**4,651**	3,310
Over 270 days	**5,144**	1,531
	28,425	34,051

9. TRADE AND OTHER PAYABLES

	As at 30 June 2020 *HK$'000* (Unaudited)	As at 31 December 2019 *HK$'000* (Audited)
Trade payables	**7,618**	9,602
Other payables	**2,497**	2,059
Accruals	**5,284**	20,675
Contract liabilities arising from sales of goods	**713**	916
	16,112	33,252

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting periods:

	As at 30 June 2020 *HK$'000* (Unaudited)	As at 31 December 2019 *HK$'000* (Audited)
1–30 days	**2,848**	4,873
31–60 days	**2,216**	2,329
Over 60 days	**2,554**	2,400
	7,618	9,602

The credit period for trade purchases ranges from 30 to 60 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Established since 1856 in Switzerland, Ernest Borel has a proud heritage spanning over 163 years. Throughout the course of its history and across its operations, the Group has upheld the principles of producing high precision "Swiss-made" products and implemented stringent quality controls. Under its own brand "Ernest Borel", the Group is engaged in the design, production, marketing and sale of mechanical and quartz premium watches. As one of the oldest Swiss premium watchmakers, Ernest Borel has adopted the "dancing couple" as its icon, which embodies "romance and elegance". Together with its distinctive market position, Ernest Borel has gained leadership among brands of watches for couples in Switzerland. The extensive distribution network of the Group covers retail markets in the People's Republic of China (the "**PRC**"), (excludes the Hong Kong Special Administrative Region ("**Hong Kong**"), the Macau Special Administrative Region ("**Macau**") and Taiwan), Hong Kong, Macau and other markets. For the six months ended 30 June 2020, the Group has a total of 775 points of sale ("**POS**").

Ernest Borel recorded a revenue of HK$38.2 million (1HFY2019: HK$55.7 million), representing a year-on-year decrease of approximately 31.4%, and gross profit and gross profit margins declined to HK$20.9 million (1HFY2019: HK$24.7 million) and increased to 54.7% (1HFY2019: 44.3%) respectively. Consequently, loss attributable to equity holders amounted to HK$10.1 million.

Overview

In the first half of 2020, the China-US trade dispute and regional political factors in Hong Kong still disrupted the economy in the world, the PRC and Hong Kong. In addition, coupled with the continuous outbreak of the novel coronavirus disease ("**COVID-19**"), the Company has carried out appropriate adjustments and strategies in relation to brand promotion and distribution to cope with market conditions.

The willingness of out-of-home consumption among local citizens and tourists worldwide was substantially subdued amidst the lockdown and quarantine measures adopted by local governments in the first half of the year, which resulted in a decrease in offline sales. The Company strengthened the promotion of "Ernest Borel" brand through the Internet, including but not limited to WeChat, Weibo, mini videos and online live broadcasts. It also sold its watches on various mainstream online sales platforms such as Tmall and JD.com. In order to meet customers' needs, the Group promoted exclusive watches which were only available in these online platforms to broaden the source of income. Leveraging on the strong and effective advertising advantages of the Internet, the Company has received positive responses to its brand from the market, which drove an increase in sales on online e-commerce platforms.

The PRC market

The PRC remains the major market of the Group. As at 30 June 2020, the Group had 635 POS in the country. Revenue from the PRC segment declined from HK$46.9 million for 1HFY2019 to HK$36.3 million for 1HFY2020, accounting for approximately 95.0% of total revenue.

Hong Kong and Macau markets

As at 30 June 2020, the Group had 53 POS in Hong Kong and Macau markets. Sales in these markets decreased by approximately 83.7% from HK$4.3 million for 1HFY2019 to HK$0.7 million for 1HFY2020, accounting for approximately 1.9% of total revenue.

Other markets

As at 30 June 2020, the Group had 87 POS in the other markets, mainly in Southeast Asia and Europe. Sales in these markets decreased by approximately 73.3% from HK$4.5 million for 1HFY2019 to HK$1.2 million for 1HFY2020, accounting for approximately 3.1% of total revenue.

FINANCIAL REVIEWS

Revenue and segment information

Our revenue decreased by HK$17.5 million, or approximately 31.4% from HK$55.7 million for 1HFY2019 to HK$38.2 million for 1HFY2020.

Performance by geographical location

	1HFY2020 ***HKD*** ***(in million)***	1HFY2019 *HKD* *(in million)*	Changes *HKD* *(in million)*	%
PRC market	**36.3**	46.9	(10.6)	(22.6)
Hong Kong and Macau markets	**0.7**	4.3	(3.6)	(83.7)
Other markets mainly in Southeast Asia and Europe	**1.2**	4.5	(3.3)	(73.3)
Total	**38.2**	55.7	(17.5)	(31.4)

Cost of Sales

Cost of sales decreased by approximately 44.2% from approximately HK$31.0 million for 1HFY2019 to approximately HK$17.3 million for 1HFY2020.

Gross profit

Our gross profit decreased by HK$3.8 million or approximately 15.4% from HK$24.7 million for 1HFY2019 to HK$20.9 million for 1HFY2020. The decrease in gross profit is mainly attributable to decrease in revenue as compared to the same period in 2019. The gross profit margin was recorded a increase from 44.3% for 1HFY2019 to 54.7% for 1HFY2020.

Other gains and losses

We recorded other losses of HK$2.1 million for 1HFY2020, which was primarily attributable to the exchange net loss of HK$2.1 million as compared to other gain of HK$0.4 million for 1HFY2019.

Distribution costs

Our selling and distribution costs decreased by HK$2.8 million or approximately 14.3% from HK$19.6 million for 1HFY2019 to HK$16.8 million for 1HFY2020, representing approximately 44.0% of our total revenue for 1HFY2020 (1HFY2019: approximately 35.2%).

Administrative expenses

Our administrative expenses decreased to HK$12.1 million for 1HFY2020 from HK$28.1 million for 1HFY2019, representing an decrease of HK$16.0 million or approximately 56.9%.

Finance costs

Our finance costs increased by HK$0.2 million or approximately 3.7% from HK$5.4 million for 1HFY2019 to HK$5.6 million for 1HFY2020.

Loss for the period attributable to owners of our Company

Our net loss decreased from HK$27.5 million for 1HFY2019 to HK$10.1 million for 1HFY2020, representing a decrease of HK$17.4 million or approximately 63.3%.

Inventory

Inventory recorded a increase from HK$326.9 million as at 31 December 2019 to HK$327.7 million as at 30 June 2020.

Trade and other receivables and payables

The Group's trade and other receivables amounted to approximately HK$42.0 million and approximately HK$36.5 million as at 31 December 2019 and 30 June 2020 respectively. Such decrease in trade and other receivables is attributable to decrease in trade receivable arising from decrease in revenue for 1HFY2020.

The Group's trade and other payables decreased from approximately HK$33.3 million as at 31 December 2019 to approximately HK$16.1 million as at 30 June 2020.

Liquidity, financial resources and capital structure

As at 30 June 2020, we had non-pledged cash and bank balances of HK$16.4 million (31 December 2019: HK$18.7 million). Based on the borrowings from bank and other group companies of HK$230.1 million (31 December 2019: HK$205.9 million) and shareholders' equity of HK$134.1 million (31 December 2019: HK$140.4 million), our gearing ratio (being loans divided by shareholders' equity) was approximately 171.6% (31 December 2019: approximately 146.7%). As at 30 June 2020, all of our borrowings amounting to HK$226.0 million were repayable within one year.

Foreign exchange exposure

Certain members of our Group have foreign currency sales, which expose us to foreign currency exchange fluctuation risks. In addition, certain trade receivables, other receivables and deposits, bank balances, other payables and accrued expenses, and our intra-group balances were denominated in foreign currencies.

We will monitor foreign exchange trends and will consider hedging significant foreign currency exposure should the need arise.

Material acquisition and disposal of subsidiaries or associated companies

No material acquisition or disposal of any subsidiaries or associated companies was made during 1HFY2020.

Future plans for material investments and capital assets

There was no definite future plan for material investments and acquisition of material capital assets as at 30 June 2020.

Contingent liabilities

As at the close of business on 30 June 2020, the Group did not have any material contingent liabilities.

Interim dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2020 (1HFY2019: Nil).

Employees and Remuneration Policies

As at 30 June 2020, the Group has approximately 195 full time employees (31 December 2019: approximately 211). Total staff costs incurred during 1HFY2020 was approximately HK$22.0 million 1HFY2019: approximately HK$31.6 million).

All of our full-time employees are paid a fixed salary and may be granted other allowances, based on their positions. Members of the sales staff are also eligible for commissions based on their ability to meet sales targets. In addition, year-end bonuses may also be awarded to the employees at our discretion and based on employees' performance. Yearly performance appraisals are conducted to ensure that the employees receive feedback on their performance. Our Company has adopted a share option scheme (the "**Share Option Scheme**") on 24 June 2014, which became effective on 11 July 2014 and will expire on 24 June 2024. No option has been granted under the Share Option Scheme during 1HFY2020.

The Group provides training to its employees on a regular basis to keep them abreast of their knowledge in the Group's products, technology developments and market conditions of its industry. In addition, the Group's senior management also participates in conferences to deepen their knowledge in the industry.

Commitments

At 30 June 2020, the Group did not have material capital commitments.

Events after the Reporting Period

There are no material events undertaken by the Group after the reporting period.

PROSPECTS

As mentioned above, in the first half of 2020, the China-US trade dispute and regional political factors in Hong Kong still disrupted the economy in the world, the PRC and Hong Kong. In addition, coupled with the ongoing outbreak of COVID-19, the willingness of out-of-home consumption among local citizens and tourists worldwide was substantially subdued amidst the lockdown and quarantine measures adopted by local governments, which caused severe negative effects on all retail industries of non-essential goods. The premium watch retails markets in Hong Kong, Macau and the PRC also inevitably suffered from these factors. These major factors exerted adverse effects on the Company's operation and revenue. In the second half of the year, the PRC, as the Company's largest market, has put the epidemic under control and its economy has gradually recovered, which restore consumers spending behaviour and ultimately increase sales of branded watches.

Products

The Company always insists on making high-quality "Swiss-made" watches. Through continuous communication with our customers and customers' feedbacks, the Company has a better understanding of market demands. In the future, the Company will design watch series for men, women and couples that conformed to the preference of our target consumers from an objective view by applying its professional product design.

Brand Promotion

The Company continues to promote and enhance the reputation of "Ernest Borel" brand through various marketing tactics. During the period under review, in response to social distancing control measures in different regions and market conditions, the Company strengthened the promotion of "Ernest Borel" brand through the Internet. In the future, the Company will continue to monitor market conditions and the epidemic development in various regions. In addition to online promotion, roadshow activities will also be organized in an appropriate, timely and safe manner, so that we can communicate more directly with our end consumers, and at the same time increase our brand's exposure rate.

Distribution Channel

The Company continues to adopt effective sales strategies and endeavors to explore new POS in markets with growth potential through different brand promotion tactics. Meanwhile, the Company will continue to review the performance of each POS and abandon those with a weak performance with a view to increasing the sales revenue of POS with better performances. During the period under review, due to the influence of COVID-19, sales of certain regional segments was unsatisfying; however, sales of e-commerce business remained stable, higher than that of the corresponding period last year. In the future, the Company will continue to monitor the pandemic development and market conditions, and adequately distribute resources to each regional segment and e-commerce with a view to further increasing sales revenue.

Operation

The Company has always adopted effective cost control strategies to utilize and allocate resources. Meanwhile, the Company has been closely monitoring our inventory and was able to maintain it on a reasonable level.

Conclusion

Looking ahead, as COVID-19 started to get under control in the PRC and other parts of the world, and some countries claimed that effective preventive vaccines will soon be successfully developed, it is expected that the pandemic will subside. However, given uncertainties in global economy, such as the China-US trade dispute, still exist, the same will also apply to the economic environment in the future, which will continue to disturb the retail market. Given the aforementioned factors, it is expected that the Company will still face grim prospects in the second half of 2020. Despite the difficulties and challenges ahead, the Company will maintain a prudential and proactive attitude, closely monitor market conditions, and adjust the Company's operation strategies based on actual situations. Meanwhile, the Company will continue to review and allocate the resources amongst advertisements, product research and development, and control operation expenses with diligence.

Lastly, the Company has been exploring various investment and development opportunities with a view to increasing the Company's revenue and bringing valuable and sustainable returns for our shareholders in the future.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has complied with all code provisions as set out in the Corporate Governance Code and the Corporate Governance Report contained in Appendix 14 to the Listing Rules (the "**Corporate Governance Code**") throughout the six months ended 30 June 2020 except for the deviations as explained below.

Code Provision A.6.7

Pursuant to the Code provision A.6.7, Independent Non-executive Directors and other Non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Tao Li, the Non-executive Director, was unable to attend the Company's annual general meeting held on 27 May 2020 due to other business engagements.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors of the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2020.

REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code. The duties of our Audit Committee are, among others, to make recommendations to our Board on the appointment, re-appointment and removal of external auditors, and to assist our Board in fulfilling its responsibilities by providing an independent review and supervision of our financial and other reporting, by reviewing our internal control, risk management systems and internal audit functions.

During the six months ended 30 June 2020, the Audit Committee comprises all of our three Independent Non-executive Directors, namely Mr. To Chun Kei, Mr. Hui Cheuk Kit Frederick and Ms. Chan Lai Wa, with Mr. To Chun Kei being the chairman of the Audit Committee. Our unaudited interim results and the interim report for the six months ended 30 June 2020 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results and report complied with the applicable accounting standards and requirements, and that adequate disclosures have been made. The Audit Committee has recommended the Board to adopt the same.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchases, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.ernestborel.ch). The Interim Report of the Company for the six months ended 30 June 2020 will be published on the aforesaid websites and will be dispatched to the shareholders of the Company in due course.

By the order of the Board
Ernest Borel Holdings Limited
Shang Jianguang
Chairman

Hong Kong, 28 August 2020

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

Executive Directors:	Mr. Shang Jianguang, Mr. Teguh Halim, Mr. Xiong Wei and Ms. Lam Lai
Non-executive Directors:	Mr. Xiong Ying and Mr. Tao Li
Independent Non-executive Directors:	Mr. To Chun Kei, Mr. Hui Cheuk Kit Frederick and Ms. Chan Lai Wa