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## **CHINESE ESTATES HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 127)**

### **VOLUNTARY ANNOUNCEMENT REALISED AND UNREALISED GAIN ON SECURITIES INVESTMENTS**

The Board announces that the Group has in the ordinary and normal course of business conducted its securities investment activities for years. In the first half of 2017, the Group had disposed certain listed securities investments and treasury products, as a result, certain gain or loss would be recognised in the consolidated statement of comprehensive income for the Period. The Group had completed the SJB Shares Disposal in the first half of 2017. The Group would record a net gain attributable from the SJB Shares (including the SJB Shares Disposal) of approximately HK\$2.3 billion which would be included in the consolidated statement of comprehensive income for the Period. During the Period, the Group has acquired Evergrande Shares and the Evergrande Shares were recorded as Financial Assets measured at FVTOCI. Based on the preliminary assessment on the closing market price of Evergrande Shares as at 30th June, 2017, it is expected that an unrealised gain on fair value change of approximately HK\$1.2 billion would be recorded as an other comprehensive income for the Period. In addition, in the first half of 2017, the Group had disposed certain other listed securities investments and treasury products (other than SJB Shares), as a result, realised gain of approximately HK\$208.1 million would be recognised in profit/loss within the consolidated statement of comprehensive income for the Period. Unrealised gain/loss on fair value changes of the remaining listed securities investments and treasury products (other than Evergrande Shares) and the net income/expenses from dividend, interest income/expenses, other investment income/expenses in the first half of 2017 will be disclosed in the announcement of interim results for the Period upon finalisation of such figures.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company and, in case of doubt, to seek independent advice from professional or financial advisers.**

Chinese Estates Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) are principally engaged in property investment and development, brokerage, securities investment, money lending and cosmetics distribution and trading.

The board of directors of the Company (the “**Board**”) announces that the Group has in the ordinary and normal course of business conducted its securities investment activities for years and for the six months ended 30th June, 2017 (the “**Period**”), the Group had disposed 577,180,500 H shares of Shengjing Bank Co., Ltd. (stock code: 2066) (the “**SJB Shares**”), acquired 579,948,000 shares in

China Evergrande Group (stock code: 3333) (the “**Evergrande Shares**”) and disposed certain other listed securities investments and treasury products which comprised bonds. As a result, it is estimated that certain gain or loss would be recognised in the consolidated statement of comprehensive income for the Period.

### **Disposal of SJB Shares**

As disclosed in the announcement of the Company dated 23rd June, 2017, the Group had completed the disposal of a subsidiary (the “**SJB Shares Disposal**”) which held SJB Shares (that were recorded as financial assets measured at fair value through other comprehensive income (the “**Financial Assets measured at FVTOCI**”)) in the first half of 2017. The Group would record a net gain attributable from the SJB Shares (including the SJB Shares Disposal) of approximately HK\$2.3 billion which would be included in the consolidated statement of comprehensive income for the Period.

### **Acquisition of Evergrande Shares**

During the Period, the Group has acquired 579,948,000 shares in Evergrande Shares at a total consideration (including transaction costs) of approximately HK\$6.9 billion and the Evergrande Shares were recorded as Financial Assets measured at FVTOCI. Based on the preliminary assessment on the closing market price of Evergrande Shares as at 30th June, 2017, it is expected that an unrealised gain on fair value change of approximately HK\$1.2 billion would be recorded as an other comprehensive income for the Period. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

### **Other listed securities investments**

Other than SJB Shares, the Group had disposed certain other listed securities investments and treasury products (the “**Disposal**”), which comprised bonds. As a result of the Disposal, it is estimated that realised gain of approximately HK\$208.1 million would be recognised in profit/loss within the consolidated statement of comprehensive income for the Period.

Unrealised gain/loss on fair value changes of the remaining listed securities investments and treasury products (other than Evergrande Shares) and the net income/expenses from dividend, interest income/expenses, other investment income/expenses in the first half of 2017 will be disclosed in the announcement of interim results for the Period upon finalisation of such figures.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company and, in case of doubt, to seek independent advice from professional or financial advisers.**

By order of the Board  
**Lam, Kwong-wai**  
*Executive Director and Company Secretary*

Hong Kong, 4th July, 2017

*As at the date of this announcement, the Board comprised Ms. Chan, Sze-wan, Ms. Chan, Hoi-wan, Ms. Chan, Lok-wan and Mr. Lam, Kwong-wai as Executive Directors, Mr. Lau, Ming-wai and Ms. Amy Lau, Yuk-wai as Non-executive Directors, and Mr. Chan, Kwok-wai, Ms. Phillis Loh, Lai-ping and Mr. Ma, Tsz-chun as Independent Non-executive Directors.*

Website: <http://www.chineseestates.com>