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## **CHINESE ESTATES HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 127)**

### **VOLUNTARY ANNOUNCEMENT REALISED GAIN AND UNREALISED LOSS 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. During the year 2016, the Group had disposed certain listed securities investments and treasury products, as a result, realised gain of approximately HK\$105.5 million would be recognised in 2016 consolidated statement of comprehensive income. However, based on the preliminary assessment on the closing market price of a listed securities investment (included in financial assets measured at fair value through other comprehensive income) as at 30th December, 2016 (the last trading day in the year 2016), it is expected that an unrealised loss on fair value change of approximately HK\$2,366.4 million would be recorded as an other comprehensive expense for the year ended 31st December, 2016. Unrealised gain/loss on fair value changes of the remaining listed securities investments and treasury products and the net income/expenses from dividend, interest income/expenses, other investment income/expenses for the year 2016 will be disclosed in the announcement of final results for the year ended 31st December, 2016 upon finalisation of such figures.

**Shareholders of the Company and potential investors should note that the final results of the Group for the year ended 31st December, 2016 are subject to audit, and are advised to exercise caution when dealing in the shares of the Company.**

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 during the year 2016, the Group had disposed certain listed securities investments and treasury products (the “**Disposal**”), which mainly comprised equity securities and bonds. As a result of the Disposal, it is estimated that realised gain of approximately HK\$105.5 million would be recognised in profit/loss within the consolidated statement of comprehensive income for the year ended 31st December, 2016.

In May 2016, the Group acquired 577,180,500 H shares of Shengjing Bank Co., Ltd. (Stock Code: 2066) (“**Shengjing Bank**”) that was included in financial assets measured at fair value through other comprehensive income. Based on the preliminary assessment on the closing market price of Shengjing Bank as at 30th December, 2016 (the last trading day in the year 2016), it is expected that an unrealised loss on fair value change of approximately HK\$2,366.4 million would be recorded as an other comprehensive expense for the year ended 31st December, 2016. The fair value change is a non-cash item and will not affect the cash flow of the Group.

Unrealised gain/loss on fair value changes of the remaining listed securities investments and treasury products and the net income/expenses from dividend, interest income/expenses, other investment income/expenses for the year 2016 will be disclosed in the announcement of final results for the year ended 31st December, 2016 upon finalisation of such figures.

**Shareholders of the Company and potential investors should note that the final results of the Group for the year ended 31st December, 2016 are subject to audit, and are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 3rd January, 2017

*As at the date of this announcement, the Board comprised Ms. Chan, Sze-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>*