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CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

VOLUNTARY ANNOUNCEMENT

The Board announces that the Group has in the ordinary and normal course of business conducted its securities investment activities for years. In the year 2011, the Group had disposed certain listed securities investments and as a result, realized loss of approximately HK\$1,248.6 million will be recognized in 2011 Income Statement. Further, based on the preliminary assessment on the closing market price of the listed securities investments as at 30th December 2011, it is expected that an unrealized loss on fair value changes of the listed securities investments will be recorded in 2011 Income Statement, figures of which will be disclosed in another announcement or the announcement of final results for the year ended 31st December, 2011 upon finalization 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, 2011 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 the 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 2011, the Group had disposed certain listed securities investments (the “**Disposal**”), which comprised equity securities and bonds. As a result of the Disposal, it is estimated that realized loss of approximately HK\$1,248.6 million will be recognized in profit/loss for the year ended 31st December, 2011 (“**2011 Income Statement**”) within the consolidated statement of comprehensive income for the year ended 31st December, 2011.

Further, based on the preliminary assessment on the closing market price of the listed securities investments as at 30th December, 2011 (the last trading day in the year 2011), it is expected that an unrealized loss on fair value changes of the listed securities investments will be recorded in 2011 Income Statement, figures of which will be disclosed in another announcement or the announcement of final results for the year ended 31st December, 2011 upon finalization of such figures.

In the year ended 31st December, 2010, the Group recorded loss for the year of HK\$8,835.7 million, of which total net gain on listed securities investments segment was HK\$674.8 million, which comprised realized loss of HK\$65.8 million, unrealized gain on fair value changes of HK\$190.2 million and net income on dividend, interest and finance income of HK\$550.4 million. For the six months ended 30th June, 2011, the Group recorded unaudited profit for the period of HK\$4,565.9 million, of which total net gain on listed securities investments segment was HK\$199.1 million, which comprised realized gain of HK\$88.9 million, unrealized loss on fair value changes of HK\$260.3 million and net income on dividend, interest and finance costs of HK\$370.5 million.

Shareholders of the Company and potential investors should note that the final results of the Group for the year ended 31st December, 2011 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
Company Secretary

Hong Kong, 4th January, 2012

As at the date of this announcement, the Board comprised Mr. Joseph Lau, Luen-hung as Executive Director, 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>