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CHINESE ESTATES HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 127)

DISCLOSEABLE TRANSACTION

DISPOSAL OF PERPETUAL BOND

THE DISPOSAL

The Board is pleased to announce that on 19 March 2020, the Group disposed of the Disposed Perpetual Bond in the principal amount of US\$2,500,000 (equivalent to approximately HK\$19,490,000) through over-the-counter market for a consideration of approximately US\$2,265,000 (equivalent to approximately HK\$17,655,000) (inclusive of accrued interest). The selling price under the Disposal represented the then prevailing market price of the Disposed Perpetual Bond at the time of the relevant transaction.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal, when aggregated with the disposal of the Perpetual Bond in the Conditional Disposal, exceeds 5% but is less than 25%, it therefore constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

THE DISPOSAL

The Board is pleased to announce that on 19 March 2020, the Group disposed of the Disposed Perpetual Bond in the principal amount of US\$2,500,000 (equivalent to approximately HK\$19,490,000) through over-the-counter market for a consideration of approximately US\$2,265,000 (equivalent to approximately HK\$17,655,000) (inclusive of accrued interest), details of which are set out below:

Principal amount:	US\$2,500,000 HK\$19,490,000)	(equivalent to approximately
Consideration before accrued interest:	US\$2,175,500 HK\$16,960,000)	(equivalent to approximately
Consideration inclusive of accrued interest:	US\$2,264,562.50 HK\$17,655,000)	(equivalent to approximately

As the Disposal was made through over-the-counter market, the information regarding the identity(ies) of the buyer(s) of the Disposed Perpetual Bond and (if applicable) of their respective ultimate beneficial owners and principal business activities was not available to the Company. Accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the buyer(s) of such Disposed Perpetual Bond and (if applicable) their respective ultimate beneficial owners are Independent Third Party(ies).

The gross proceeds of the Disposal are approximately US\$2,265,000 (equivalent to approximately HK\$17,655,000) (inclusive of accrued interest). The selling price under the Disposal represented the then prevailing market price of the Disposed Perpetual Bond at the time of the relevant transaction.

Settlement of the Disposal will take place on 23 March 2020.

Immediately prior to the settlement of the Disposal, the Group has held the Perpetual Bond in the total principal amount of US\$52,500,000 (equivalent to approximately HK\$409,290,000), which included the Disposed Perpetual Bond. Immediately upon settlement of the Disposal, it is expected that the Group will continue to hold the Perpetual Bond in the remaining principal amount of US\$50,000,000 (equivalent to approximately HK\$389,800,000), which is, however, among the subject matter of the Conditional Disposal and shall be disposed of by the Group to the Conditional Disposal Purchaser subject to and upon the obtaining of independent shareholders' approval by the Company at a special general meeting as well as the fulfillment (or, if applicable, waiver) of other conditions precedent as disclosed in the Conditional Disposal Announcement, which are yet to be fulfilled as at the date of this announcement. Further details of the Conditional Disposal are set out in the Conditional Disposal Announcement and the circular of the Company dated 28 February 2020.

INFORMATION OF THE ISSUER AND THE PERPETUAL BOND

Issuer

The Issuer is Standard Chartered PLC. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Issuer is a public limited company incorporated in England and Wales with limited liability and it is the ultimate holding company of an international banking and financial services group particularly focused on the markets of Asia, Africa and the Middle East and its shares are listed on the London Stock Exchange, the Stock Exchange (Stock Code: 2888) as well as the BSE and the NSE. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Issuer and its ultimate beneficial owners is an Independent Third Party.

Perpetual Bond

The Perpetual Bond was issued by the Issuer on 18 August 2016 in an aggregate principal amount of US\$2,000,000,000 (equivalent to approximately HK\$15.592 billion). According to the information on the Stock Exchange on which the Perpetual Bond is listed (Stock Code: 4305), the Perpetual Bond in the principal amount of US\$ 2,000,000,000 (equivalent to approximately HK\$15.592 billion) has been issued and outstanding as of the date of this announcement. The Perpetual Bond is denominated in US\$, carries an interest rate of 7.5% per annum from the issue date to (but excluding) 2 April 2022, payable semi-annually in arrears. The Perpetual Bond is perpetual securities and has no fixed maturity or fixed redemption date. The Perpetual Bond is listed on the Stock Exchange and traded on over-the-counter market.

As at 31 December 2019, the unaudited carrying amount of the Disposed Perpetual Bond was approximately HK\$21,007,000.

The net profit (loss) (both before and after taxation) attributable to the Disposed Perpetual Bond for the two financial years ended 31 December 2018 and 2019 are as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net (loss) profit (before taxation)	(661)	1,993
Net (loss) profit (after taxation)	(863)	1,842

INFORMATION OF THE GROUP

The Company is a company incorporated in Bermuda with limited liability and, together with its subsidiaries, are principally engaged in property investment and development, brokerage, securities investment, money lending, and cosmetics distribution and trading, and has in the ordinary and usual course of business conducted its securities investment activities for years.

INFORMATION OF THE BONDHOLDER

The Bondholder is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company. As at the date hereof, it is principally engaged in securities investment. The Disposed Perpetual Bond was legally held by the Bondholder as nominee on behalf of Lucky Way immediately prior to completion of the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal forms part of the securities investment activities of the Group and is in its ordinary and usual course of business.

The Disposal provides the Group with a good opportunity to realise the securities investment in the Disposed Perpetual Bond.

Given that the Disposal was conducted through over-the-counter market and the consideration for the Disposal was determined based on the prevailing market price of the Disposed Perpetual Bond available in the open market, the Directors believe that the terms of the Disposal are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

It is expected that the Group will record a realised loss of approximately HK\$4,047,000 in the financial year ending 31 December 2020 as a result of the Disposal, subject to audit. The realised loss represents the difference between the consideration (before accrued interest) and the carrying amount of the Disposed Perpetual Bond as at 31 December 2019.

The Directors intend to use the proceeds from the Disposal for repayment of margin loan and general working capital.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal, when aggregated with the disposal of the Perpetual Bond in the Conditional Disposal, exceeds 5% but is less than 25%, it therefore constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:-

- “Board”** the board of Directors;
- “Bondholder”** City Gateway Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company and the legal holder of the Disposed Perpetual Bond as nominee on behalf of Lucky Way immediately prior to completion of the Disposal;
- “BSE”** the Bombay Stock Exchange in India;
- “Company”** Chinese Estates Holdings Limited (Stock Code: 127), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
- “Conditional Disposal”** the disposal of certain debt securities, including the Perpetual Bond in the principal amount of US\$50,000,000, by the Group to the Conditional Disposal Purchaser which constituted a major and connected transaction of the Company subject to, among others, independent

shareholders' approval as required under the Listing Rules, being one of the conditions precedent to its completion yet to be fulfilled as at the date of this announcement, with details set out in the Conditional Disposal Announcement and the circular of the Company dated 28 February 2020;

“Conditional Announcement”	Disposal	announcement of the Company published on 29 January 2020 in respect of (among other things) the Conditional Disposal;
“Conditional Purchaser”	Disposal	Ms. Chan, Hoi-wan, being the purchaser of the Conditional Disposal, and an executive Director and a trustee of the substantial shareholders of the Company (who are two of her minor children);
“connected person(s)”		has the meaning ascribed to it in the Listing Rules;
“Director(s)”		director(s) of the Company;
“Disposal”		the disposal of the Disposed Perpetual Bond;
“Disposed Perpetual Bond”		Perpetual Bond in the principal amount of US\$2,500,000 (equivalent to approximately HK\$19,490,000) which are disposed of by the Bondholder;
“Group”		the Company and its subsidiaries;
“HK\$”		Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”		the Hong Kong Special Administrative Region of the People's Republic of China;
“Independent Party(ies)”	Third	a person or a company which is a third party independent of the Company and its connected person(s) (as defined under the Listing Rules);
“Issuer”		Standard Chartered PLC, a public limited company incorporated in England and Wales with limited liability, with its shares listed on the London Stock Exchange, the Stock Exchange (Stock Code: 2888), the BSE and the NSE;
“Listing Rules”		the Rules Governing the Listing of Securities on the Stock Exchange;
“Lucky Way”		Lucky Way Company Ltd. (carrying on business in Hong Kong as Lucky Path Limited), a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company, and the beneficial owner of the Disposed Perpetual Bond immediately prior to completion of the Disposal;

“NSE”	the National Stock Exchange in India;
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules;
“Perpetual Bond”	the 7.5% fixed rate resetting perpetual subordinated contingent convertible securities issued by the Issuer, which are listed on the London Stock Exchange, the Stock Exchange, the BSE and the NSE;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

For the purpose of this announcement, the conversion of US\$ into HK\$ is based on the exchange rate of US\$1 to HK\$7.796 for illustration purpose only.

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

Hong Kong, 20 March 2020

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.

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