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CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

VOLUNTARY ANNOUNCEMENT REALISED AND UNREALISED GAIN/LOSS ON SECURITIES INVESTMENTS

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, 2019 (the “**Period**”), the Group disposed of certain listed securities investments and treasury products. Remaining listed securities investments and treasury products as at 30th June, 2019 have been revalued to their fair values at that date. As a result, it is estimated that certain realised and unrealised gain or loss, and interest income/expenses and other investment income/expenses, would be recognised in the consolidated statement of comprehensive income for the Period.

The Evergrande Shares

As at 30th June, 2019, the Group held certain shares of China Evergrande Group (stock code: 3333) (the “**Evergrande Shares**”) and the Evergrande Shares were recorded as financial assets measured at fair value through other comprehensive income (the “**Financial Assets measured at FVTOCI**”). Based on the preliminary assessment on the closing market price of the Evergrande Shares as at 28th June, 2019 (being the last trading day in the Period), it is expected that an unrealised loss on fair value change of approximately HK\$1.33 billion would be recorded as other comprehensive expense for the Period. Accordingly, the cumulative unrealised gain on fair value change of the Evergrande Shares was reduced from HK\$6.57 billion at the end of year 2018 to approximately HK\$5.24 billion at the end of the Period, which was recorded in the Financial Assets measured at FVTOCI reserve. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

Other listed securities investments and treasury products

During the Period, the Group disposed of certain listed securities investments and treasury products (other than the Evergrande Shares) (the “**Disposal**”) which comprised bonds. As a result of the Disposal, it is estimated that a realised gain of approximately HK\$77.1 million would be recognised in profit or loss for the Period.

Based on the preliminary assessment of the estimated quoted prices of the remaining listed securities investments and treasury products (other than the Evergrande Shares) which comprised bonds, the unrealised gain on the fair value changes for the Period was estimated to be approximately HK\$0.8 billion and would be recognised in profit or loss for the Period. Further, the Group’s net income/expenses from interest income/expenses and other investment income/expenses from the listed securities investments and treasury products for the Period 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, 3rd July, 2019

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>