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LEE HING DEVELOPMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 68)

CLARIFICATION ANNOUNCEMENT ON CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

References is made to the announcement dated 16 August 2016 on the unaudited results of Lee Hing Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the six months ended 30 June 2016 (the “**2016 Interim Results Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as in the 2016 Interim Results Announcement.

It was mentioned in the 2016 Interim Results Announcement that as at 30 June 2016, the Company has available-for-sale investments in the amount of HK\$1.9 billion as compared to HK\$2.5 billion as at 31 December 2015. For the six months ended 30 June 2016, the Company recorded an impairment on available-for-sale investments in the amount of HK\$235.5 million and recognised changes in fair value of available-for-sale investments for the six months ended 30 June 2016 in the amount of HK\$642.1 million. The Company wishes to state the following information in respect of the available-for-sale investments and the impairment therefor:

1. The available-for-sale investments of the Company comprises of interests in shares of Goldis Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and PureCircle Limited, a company listed on the London Stock Exchange. The principal business activities and information of each of Goldis Berhad and PureCircle Limited are set out under the paragraph headed “Significant investments” on page 12 of the 2016 Interim Results Announcement. As at 30 June 2016, the Company held 65,410,542 shares in Goldis Berhad, representing approximately 10.76% of the issued share capital of Goldis Berhad, and 45,430,820 shares in PureCircle Limited, representing approximately 26.4% of the issued share capital of PureCircle Limited.
2. Particulars of the acquisition and disposal of available-for-sale investments in Goldis Berhad and PureCircle Limited were set out in the paragraph headed “Material acquisitions and disposals” on page 13 of the 2016 Interim Results Announcement.

3. Although the decrease in the fair value of the investment in PureCircle Limited amounted to HK\$707 million (as mentioned in the paragraph headed “Significant investments” on page 13 of the 2016 Interim Results Announcement), the changes in fair value of available-for-sale investments recognised for the six months ended 30 June 2016 was HK\$642.1 million. This is because the final amount of changes in fair value of available-for-sale investments recognised has taken into account the increase in the fair value of the investment in Goldis Berhad as a result of the increase in the share price of Goldis Berhad during the same period.
4. As explained in note 8 on page 8 of the 2016 Interim Results Announcement, an amount of HK\$435.5 million out of the HK\$642.1 million changes in fair value of available-for-sale investments recognised for the six months ended 30 June 2016 was set-off against the investment revaluation reserve. The balance of HK\$235.5 million was recorded as impairment loss and transferred to the Consolidated Statement of Profit or Loss.
5. As explained in the Profit Warning Announcement by the Company dated 28 July 2016, the decrease in fair value of the investment in PureCircle Limited was the result of the exchange loss on sterling pounds, which has recently fallen to record low in 30 years and the fall in the trading price of the shares of PureCircle Limited.

By order of the Board
Lee Hing Development Limited
Tan Boon Seng
Chairman and Managing Director

Hong Kong, 25 August 2016

As at the date of this announcement, the Board comprises two executive Directors, Mr. Tan Boon Seng and Mr. Chan Kai Kwok; and three independent non-executive Directors, Mr. Ho Hau Chong, Norman, Mr. Fung Ka Pun and Mr. Lim Lay Leng.