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## **CHINA ASSETS (HOLDINGS) LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 170)**

### **POSITIVE PROFIT ALERT**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform its shareholders and potential investors that the Group is expected to record a consolidated profit for the six months ended 30 June 2017, as compared to its loss in the corresponding period in 2016.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by China Assets (Holdings) Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “SFO”).

The Company is an investment holding company which principally invests in unlisted and listed securities of companies operating in the People’s Republic of China. The Board of Directors of the Company (the “Board”) wishes to inform its shareholders and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group, it expects the Group to record a consolidated profit of not less than US\$4,800,000 for the six months ended 30 June 2017 as compared to its loss of US\$1,323,556 for the six months ended 30 June 2016. The Board considers that the expected profit is mainly attributable to a realized profit from disposals of 4 million shares in Shandong LuKang Pharmaceutical Co Ltd., its major listed available-for-sale financial asset, during the six months ended 30 June 2017.

As the Company is still in the process of finalizing the Group’s unaudited interim results for the six months ended 30 June 2017, the information contained in this announcement is only a preliminary estimate performed by the management of the Company based on currently available information which is not based on any figures or information audited or reviewed by the Company’s auditors or audit committee. Details of the Group’s performance will be disclosed in the interim

results announcement which is expected to be released on 25 August 2017 (the “Interim Results Announcement”).

Reference is made to the announcements published by the Company on 3 July 2017, 21 July 2017, 24 July 2017 and 14 August 2017 respectively in relation to, among other things, (i) a proposal for the privatisation of the Company by New Synergies Investments Company Limited (the “Proposal”) by way of a scheme of arrangement under section 673 of the Companies Ordinance (the “Scheme”) and (ii) proposed withdrawal of listing of the Company. The scheme document in compliance with requirements under the Listing Rules and The Code on Takeovers and Mergers issued by the Securities and Futures Commission (the “Takeovers Code”) containing, among other things, further details of the Proposal and the Scheme (the “Scheme Document”) is expected to be despatched by 6 September 2017. This positive profit alert constitutes a profit forecast under Rule 10 of the Takeovers Code and is required to be reported on by the Company’s financial adviser and its auditor or consultant accountant in accordance with Rule 10.4 of the Takeovers Code. Since this announcement is required to be made pursuant to Rule 13.09(1) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO, which requires the Company to issue this positive profit alert announcement as soon as practicable and given the time constraints faced by the Company when issuing this announcement, the Company would like to draw the attention of the shareholders of the Company and potential investors that this positive profit alert does not meet the standard required by Rule 10 of the Takeovers Code.

The Executive (as defined under the Takeovers Code) will normally require the forecast to be reported on as soon as reasonably practicable and the relevant reports to be contained in the next document to be sent to the shareholders of the Company. As mentioned above, it is expected that (i) the Interim Results Announcement is expected to be published on 25 August 2017, and (ii) the Company will include such interim results together with the notes to the financial statements in the Scheme Document, the requirement for the inclusion of such a report by its financial adviser and its auditor or consultant accountant in the Scheme Document will be superseded.

**Shareholders of the Company and potential investors should note that this positive profit alert does not meet the standard required by Rule 10 of the Takeovers Code and should therefore exercise caution in placing reliance on such forecast in assessing the merits and demerits of the Proposal and/or the Scheme. Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.**

By Order of the Board

**Lo Yuen Yat**

*Chairman*

Hong Kong, 16 August 2017

*The directors of the Company as at the date of this announcement are Mr. Lo Yuen Yat and Mr. Cheng Sai Wai as executive directors, Mr. Yeung Wai Kin, Mr. Zhao Yu Qiao and Ms. Lao Yuan Yuan as non-executive directors, Mr. Fan Jia Yan, Mr. Wu Ming Yu and Dr. David William Maguire as independent non-executive directors.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*