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FRASER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8366)

CLARIFICATION ANNOUNCEMENT REGARDING INTERIM REPORT FOR THE SIX MONTHS ENDED 31 OCTOBER 2016

Reference is made to the interim report of Fraser Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the six months ended 31 October 2016 (the “**Interim Report**”) posted on the respective websites of The Stock Exchange of Hong Kong Limited and the Company on 12 December 2016. Unless otherwise stated, definitions and terms used herein shall bear the same meanings as defined in the Interim Report.

The Company wishes to provide additional information on the section headed “Significant Investments” of the Interim Report as follows:

SIGNIFICANT INVESTMENTS

As at 31 October 2016, the Group had available-for-sale investments (collectively, the “**Investments**”) with a market value of approximately HK\$31 million, representing an investment portfolio of thirteen bonds in Hong Kong. Further information of the Investments as at 31 October 2016 is stated in the Interim Report as follows:

Stock Code of the bond issuer (where applicable)	Name of the bond issuer	Quantity of the bonds held	Initial investment Cost (HK\$'000)	Dividend earned during the period ended 31 October 2016 (HK\$'000)	Unrealised gain/(losses) on fair value change during the period ended 31 October 2016 (HK\$'000)	Fair value as at 31 October 2016 (HK\$'000)	% of net asset of the Group as at 31 October 2016 (Note)	Reasons for unrealized gain/(losses) on fair change
3333.HK	Evergrande Real Estate Group Ltd (currently known as China Evergrande Group)	400,000	3,329	90	34	3,363	6.38%	Upward movements of bond prices
0272.HK	Shui On Development (Holding) Ltd	400,000	3,400	128	(46)	3,354	6.37%	Downward movements of bond prices

Stock Code of the bond issuer (where applicable)	Name of the bond issuer	Quantity of the bonds held	Initial investment Cost (HK\$'000)	Dividend earned during the period ended 31 October 2016 (HK\$'000)	Unrealised gain/(losses) on fair value change during the period ended 31 October 2016 (HK\$'000)	Fair value as at 31 October 2016 (HK\$'000)	% of net asset of the Group as at 31 October 2016 (Note)	Reasons for unrealized gain/(losses) on fair change
0699.HK	CAR Inc.	400,000	3,222	81	34	3,256	6.18%	Upward movements of bond prices
0813.HK	Shimao Property Holdings Ltd	400,000	3,488	110	23	3,511	6.67%	Upward movements of bond prices
1171.HK	Yanzhou Coal Mining Company Ltd	200,000	1,458	37	105	1,563	2.97%	Upward movements of bond prices
0688.HK	China Overseas Land & Investment Ltd	400,000	3,554	85	316	3,870	7.35%	Upward movements of bond prices
N/A	Dalian Wanda Commercial Properties Co., Ltd	400,000	3,287	96	228	3,515	6.67%	Upward movements of bond prices
N/A	Studio City Finance Ltd	250,000	1,993	27	19	2,012	3.82%	Upward movements of bond prices
0023.HK	The Bank of East Asia, Ltd	200,000	1,604	17	(18)	1,586	3.01%	Downward movements of bond prices
1668.HK	China South City Holdings Ltd	200,000	1,638	4	(7)	1,631	3.1%	Downward movements of bond prices
1107.HK	Modern Land (China) Co., Ltd	200,000	1,686	7	(8)	1,678	3.19%	Downward movements of bond prices
1918.HK	Sunac China Holdings Ltd	200,000	1,687	2	22	1,709	3.24%	Upward movements of bond prices
			30,346	684	702	31,048		

Note: Each of these investments represented less than 5% of the total asset of the Group as at 31 October 2016.

Brief description of principal business of each of the respective bond issuers:

Name of bond issuers	Principal Business
Evergrande Real Estate Group Ltd	Property developer
Shui On Development (Holding) Ltd	Property developer
CAR Inc.	Car rental service provider
Shimao Property Holdings Ltd	Property developer
Yanzhou Coal Mining Company Ltd	Coal mining, preparation and sales
China Overseas Land & Investment Ltd	Property developer
Dalian Wanda Commercial Properties Co., Ltd	Property developer
Studio City Finance Ltd	Cinematically-themed integrated entertainment, retail, and gaming resort
The Bank of East Asia, Ltd	Banking industry
China South City Holdings Ltd	Property developer
Modern Land (China) Co., Ltd	Property developer
Sunac China Holdings Ltd	Property developer

The Board acknowledges that the performance of the bonds may be affected by the increase of interest rate by United States, the credit rating of the bond issuers and susceptible to other external factors that may affect their values. Accordingly, in order to mitigate possible financial risks related to the bonds, the Board will continue to maintain a diversified investment portfolio with an aim to maximize value for the Shareholders and also closely monitor the performance progress of its investment portfolio from time to time going forward.

The Board confirms that the above amended information does not affect other information contained in the Interim Report and the other content of the Interim Report remains correct and unchanged.

By order of the Board
Fraser Holdings Limited
Yu Shek Man Ringo
Chairman and Executive Director

Hong Kong, 19 December 2016

As at the date of this announcement, the executive Directors are Mr. Yu Shek Man Ringo and Ms. Wong So Wah; the non-executive Director is Mr. Cheung Kin Keung Martin and the independent non-executive Directors are Mr. Law Yiu Sing, Mr. Wong Kwok Chuen and Mr. Wong Law Fai.