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CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

ANNOUNCEMENT

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The Company has been informed by Mr. Joseph Lau, Luen-hung that on 14 March 2014, he was convicted of bribery and money laundering charges in relation to the acquisition of the Macau Land by the collegial bench of the Criminal Court of the Court of First Instance of Macau and sentenced to imprisonment for five years and three months. He has made an application to appeal against the verdict of the collegial bench of the Criminal Court of the Court of First Instance of Macau. The application to appeal was accepted by the Criminal Court of the Court of First Instance of Macau. The Company has been advised by its Macau legal advisers that according to Macau law, upon the acceptance of the application to appeal, the order of conviction of Mr. Joseph Lau, Luen-hung is suspended and deemed to be not effective and not enforceable until there is a final ruling on the appeal.

Mr. Joseph Lau, Luen-hung has resigned from his offices of Executive Director, Chairman, Chief Executive Officer and authorised representative of the Company with effect from 14 March 2014 due to the said conviction.

Mr. Lau, Ming-wai has been appointed as the Chairman, Acting Chief Executive Officer and authorised representative of the Company and re-designated from Non-executive Director to Executive Director of the Company with effect from 14 March 2014.

The Board does not expect the conviction and resignation of Mr. Joseph Lau, Luen-hung from the said offices of the Company to have a material adverse impact on the Group's operations and financial conditions.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 1:00 p.m. on 14 March 2014 pending the release of this announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 17 March 2014.

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

This announcement is made by Chinese Estates Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rules 13.09 and 13.51(2) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "**SFO**").

Reference is made to the announcements of the Company dated 17 April, 23 May and 28 June 2012. Unless otherwise defined herein, capitalised terms defined in these announcements shall have the same meanings when used herein.

UPDATE ON THE CHARGES

As previously disclosed, Mr. Joseph Lau, Luen-hung, the Executive Director, Chairman and Chief Executive Officer of the Company before his resignation on 14 March 2014 ("**Mr. J Lau**") was prosecuted in Macau for committing offences of bribery and money laundering in relation to the acquisition of the Macau Land (the "**Charges**").

The Company has been informed by Mr. J Lau that on 14 March 2014, Mr. J Lau was convicted of the Charges by the collegial bench of the Criminal Court of the Court of First Instance of Macau and sentenced to imprisonment for five years and three months. Mr. J Lau has made an application to appeal against the verdict of the collegial bench of the Criminal Court of the Court of First Instance of Macau. The application to appeal was accepted by the Criminal Court of the Court of First Instance of Macau.

The Company has been advised by its Macau legal advisers that according to Macau law, upon the acceptance of the application to appeal, the order of conviction of Mr. J Lau is suspended and deemed to be not effective and not enforceable until there is a final ruling on the appeal.

RESIGNATION OF EXECUTIVE DIRECTOR, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. J Lau has resigned from his offices of Executive Director, Chairman and Chief Executive Officer of the Company with effect from 14 March 2014 due to the said conviction. Mr. J Lau has confirmed that his resignation is not due to disagreement with the Board. The Board and Mr. J Lau have further confirmed that there is no matter regarding Mr. J Lau's resignation that needs to be brought to the attention of the shareholders of the Company.

APPOINTMENT OF CHAIRMAN, ACTING CHIEF EXECUTIVE OFFICER AND RE-DESIGNATION OF DIRECTOR

In light of Mr. J Lau's above resignation, the Board has appointed Mr. Lau, Ming-wai ("**Mr. M Lau**") as the Chairman and Acting Chief Executive Officer of the Company with effect from 14 March 2014. Mr. M Lau has also been re-designated from Non-executive Director to Executive Director with effect from 14 March 2014.

Mr. Lau, Ming-wai, aged 33, joined the Company in 2006. He was the Vice Chairman and a Non-executive Director of the Company before his re-designation on 14 March 2014 and acts as a director of certain subsidiaries of the Company. Mr. M Lau holds a Bachelor Degree of Laws from King's College London, a Master Degree of Laws from The London School of Economics and Political Science, and a Doctor Degree of Philosophy in Laws from King's College London. He worked at The Goldman Sachs Group, Inc. and Longview Partners LP, both in London prior to joining the Company. Mr. M Lau is a registered attorney in the State of New York and a CFA (Chartered Financial Analyst) charterholder. Save as disclosed in this announcement, Mr. M Lau does not hold any other positions within the Group and has not held any directorships in other public companies, the securities of which are listed in Hong Kong or overseas, in the past three years preceding the date of this announcement. He is the son of Mr. J Lau, the substantial and controlling shareholder of the Company and former Executive Director, Chairman and Chief Executive Officer of the Company; and the nephew of Ms. Amy Lau, Yuk-wai, a Non-executive Director of the Company. Save as disclosed above, Mr. M Lau has no other relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the date of this announcement.

Mr. M Lau does not currently have any service agreement with the Company. He is not appointed for a fixed term but is subject to retirement by rotation and re-election in accordance with the bye-laws of the Company. The current remuneration of Mr. M Lau is HK\$240,000 per annum, which was determined by the Board having regard to his duties and responsibilities with the Company.

Mr. M Lau is one of the eligible beneficiaries of a discretionary trust which is interested in 1,430,700,768 shares of the Company as at the date of this announcement. Apart from this, Mr. M Lau does not have any other interest in the shares of the Company within the meaning of Part XV of the SFO as at the date of this announcement.

As disclosed in the Company's announcement dated 13 September 2013, Mr. M Lau was a former director of Strong Worth Limited ("**SWL**"), a company wholly-owned by Mr. J Lau and incorporated in the British Virgin Islands for the purpose of employing household staff working at residential properties of Mr. J Lau outside Hong Kong. Mr. J Lau, being the major creditor of SWL, commenced creditors' voluntary winding up of SWL for commercial reasons on 13 May 2013 which was more than 11 months after Mr. M Lau's resignation as a director of SWL. As at 13 May 2013, the total liabilities of SWL amounted to approximately GBP661,719 (equivalent to HK\$7,895,472), of which the loans due to Mr. J Lau amounted to HK\$6,882,644.24. Such proceedings are still in progress as at the date of this announcement. In the opinion of Mr. M Lau, the winding up of SWL has no impact to his discharging of director's duties in the Company.

Save as disclosed in this announcement, there is no other information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no matter that needs to be brought to the attention of the shareholders of the Company in connection with the appointment of Mr. M Lau as the Chairman and Acting Chief Executive Officer of the Company and his re-designation from a Non-executive Director to an Executive Director of the Company.

CHANGE OF AUTHORISED REPRESENTATIVE

As Mr. J Lau is no longer a Director of the Company, in compliance with the requirement of an authorised representative pursuant to Rule 3.05 of the Listing Rules, Mr. J Lau has also resigned from the office of authorised representative of the Company under the Listing Rules with effect from 14 March 2014. The Company has therefore appointed Mr. M Lau, the Executive Director, Chairman and Acting Chief Executive Officer of the Company, as an authorised representative with effect from 14 March 2014 of the Company under the Listing Rules.

NO MATERIAL ADVERSE IMPACT ON OPERATIONS AND FINANCIAL CONDITIONS

The Board does not expect the conviction and resignation of Mr. J Lau from the said offices of the Company to have a material adverse impact on the Group's operations and financial conditions.

The Company is also seeking opinion from Macau legal advisers to ascertain whether there is any implications to the appeals made by Moon Ocean as referred to in the Company's announcements dated 14 September 2012 and 15 May 2013 respectively. Further announcement will be made in this regard.

APPLICATION FOR RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 1:00 p.m. on 14 March 2014 pending the release of this announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 17 March 2014.

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

By order of the Board

Lam, Kwong-wai

Executive Director and Company Secretary

Hong Kong, 16 March 2014

As at the date of this announcement, the Board comprised Mr. Lau, Ming-wai, Ms. Chan, Sze-wan, Mr. Lam, Kwong-wai and Ms. Lui, Lai-kwan as Executive Directors, Ms. Amy Lau, Yuk-wai as Non-executive Director, 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>