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CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

ANNOUNCEMENT

UPDATE ON RECENT DEVELOPMENT OF MACAU LAND

This announcement is made by Chinese Estates Holdings Limited (the “**Company**”) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcements of the Company dated 17 April, 23 May, 24 May, 6 June, 17 June, 14 August, 28 August, 5 September and 14 September 2012, 16 April, 15 May and 15 October 2013 respectively (the “**Previous Announcements**”). Unless otherwise defined herein, capitalised terms defined in the Previous Announcements shall have the same meanings when used herein.

As disclosed in the Previous Announcements, Moon Ocean has lodged an appeal to the Court of Second Instance of Macau against each of the Decision and the Second Decision made by the Chief Executive of Macau.

As the construction work of the La Scala project has been suspended since 2012 and as at the date of this announcement it is still uncertain when the judgments of these appeal proceedings will be given, Moon Ocean has decided to arrange for the revocation and cancellation of the binding letters of offer and the promissory sale and purchase agreements of the presold property units under the La Scala project after taking into account the general preference of the promissory purchasers to have an early revocation and cancellation. Without admission of any liability, it is intended that Moon Ocean will return all deposit money in full for the presold property unit(s) under the La Scala project to each promissory purchaser accepting such revocation and cancellation arrangement, together with interest thereon at the rate of 7.25% (being 2% above the prime lending rate specified by Standard Chartered Bank (Hong Kong) Limited currently at 5.25%) per annum for the period from the date of each instalment of the

relevant deposit money being paid until the date of actual refund.

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, 12 May 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>