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## **CHINESE ESTATES HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 127)**

### **RESTRUCTURING OF SHAREHOLDING IN THE COMPANY**

The Board has been informed by Mr. MW Lau and Madam Chan that after the distribution of all the shares in the Company indirectly held under the Share Trust to certain eligible beneficiaries of the Share Trust on 1st March, 2017, Mr. MW Lau and Madam Chan (as trustee for her minor children Lau, Chung-hok and Lau, Sau-wah) indirectly hold shares representing approximately 24.97% and 50.02% of the total issued share capital of the Company respectively.

In view of Mr. Joseph Lau's very unstable health condition and the need to implement the Restructuring during his lifetime, the Company and all of its Directors (including Independent Non-Executive Directors) confirm that they are satisfied that there are exceptional circumstances for the implementation of the Restructuring before the expiry of the current black out period and the Restructuring is the only reasonable course of action available to Mr. MW Lau and Madam Chan. Mr. MW Lau and Madam Chan have obtained a waiver from the Stock Exchange from strict compliance with the directors' dealing restriction under Rules A.3(a)(i) and A.6 of the Model Code for the purpose of implementing the Restructuring during the current black out period subject to the Restructuring not being implemented when the Company has unpublished inside information and the Company publishing this announcement in relation to the waiver granted.

Under the Takeovers Code, Sino Omen would incur an obligation to make a mandatory general offer as a result of the Restructuring. The Executive of the Securities and Futures Commission of Hong Kong (as defined in the Takeovers Code) has granted a waiver to Sino Omen of such obligation pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code.

The board of directors (the "**Board**") of Chinese Estates Holdings Limited (the "**Company**") has been informed by Mr. Lau, Ming-wai, Non-executive Director and Chairman of the Company ("**Mr. MW Lau**") and Ms. Chan, Hoi-wan, Executive Director of the Company ("**Madam Chan**") that after the distribution of all the shares in the Company indirectly held under a discretionary trust (the "**Share Trust**") founded by Mr. Joseph Lau, Luen-hung ("**Mr. Joseph Lau**") to certain eligible beneficiaries of the Share Trust (the "**Restructuring**") on 1st March, 2017, Mr. MW Lau and Madam Chan (as trustee for her minor children Lau, Chung-hok and Lau, Sau-wah) indirectly hold shares representing approximately 24.97% and 50.02% of the total issued share capital of the Company respectively.

Prior to the Restructuring, an aggregate of 1,430,700,768 shares representing approximately 74.99% of the total issued share capital of the Company, were indirectly held under the Share Trust. In the capacity as the trustee of the Share Trust, Alto Trust Limited held 100% interest in Solar Bright Ltd. (“**Solar Bright**”). Solar Bright held (i) all units in a unit trust (the “**Unit Trust**”), which in turn held 1,199,715,948 shares representing approximately 62.89% of the total issued share capital of the Company; (ii) 100% interest in Global King (PTC) Ltd., the trustee of the Unit Trust; and (iii) 100% interest in Joseph Lau Luen Hung Investments Limited (“**JLLHIL**”), which in turn held 230,984,820 shares representing approximately 12.10% of the total issued share capital of the Company.

The Restructuring has been implemented and completed on 1st March, 2017. Following completion of the Restructuring, as of the date of this announcement, Mr. MW Lau holds (through Century Frontier Limited, a company wholly owned by Mr. MW Lau) 476,425,000 shares representing approximately 24.97% of the total issued share capital of the Company. Solar Bright directly or indirectly (through JLLHIL) holds in aggregate 954,275,768 shares representing approximately 50.02% of the total issued share capital of the Company. Solar Bright is wholly owned by Sino Omen Holdings Limited (“**Sino Omen**”), a company whose shares are held by Madam Chan as trustee for her minor children Lau, Chung-hok and Lau, Sau-wah in the ratio of 65:35.

Under Rule A.3(a)(i) of the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) (Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)), Directors of the Company are prohibited to deal in shares in the Company during the black out period. An application has been made by Mr. MW Lau and Madam Chan to the Stock Exchange for a waiver from strict compliance with the directors’ dealing restriction under Rules A.3(a)(i) and A.6 of the Model Code for the purpose of implementing the Restructuring during the current black out period from 31st December, 2016 up to the publication date of the annual results of the Company (which is expected to be announced on 9th March, 2017) (both days inclusive). In view of Mr. Joseph Lau’s very unstable health condition and the need to implement the Restructuring during his lifetime, the Company and all of its Directors (including Independent Non-Executive Directors) confirm that they are satisfied that there are exceptional circumstances for the implementation of the Restructuring before the expiry of the current black out period and the Restructuring is the only reasonable course of action available to Mr. MW Lau and Madam Chan. The Stock Exchange has granted the waiver subject to the Restructuring not being implemented when the Company has unpublished inside information and the Company publishing this announcement in relation to the waiver granted. To the best of the Directors’ knowledge after making reasonable enquiry, the Company did not have any unpublished inside information (as defined in Part XIVA of the Securities and Futures Ordinance) when the Restructuring was implemented and completed on 1st March, 2017.

Under The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Sino Omen would incur an obligation to make a mandatory general offer as a result of the Restructuring. The Executive of the Securities and Futures Commission of Hong Kong (as defined in the Takeovers Code) has granted a waiver to Sino Omen of such obligation pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code.

By order of the Board  
**Lam, Kwong-wai**  
*Executive Director and Company Secretary*

Hong Kong, 1st March, 2017

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