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CHINESE ESTATES HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 127)

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made by Chinese Estates Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) announces that on 23rd November, 2018, Spark Country Limited (the “**Borrower**”), an indirect wholly-owned subsidiary of the Company, as borrower and China Construction Bank (Asia) Corporation Limited (the “**Bank**”) as lender entered into a facility agreement (the “**Facility Agreement**”) in respect of a term loan facility (the “**Facility**”) in the principal sum of up to HK\$674 million, the proceeds of the advance under the Facility will be applied to repay an existing bank borrowing. The Facility will be secured by certain commercial properties located at Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong. The Borrower will be required to pay interest under the Facility at a fixed rate margin plus floating rate based on an applicable Hong Kong interbank offered rate. The Facility may be advanced by the Bank to the Borrower at the Borrower’s request in one month after the satisfaction of the conditions precedent provided in the Facility Agreement and will be repayable in 12 successive quarterly instalments with the final repayment date falling 36 months after the date on which the advance under the Facility is made.

One of the conditions precedent to making of the advance under the Facility is the execution of a guarantee by the Company (the “**Guarantee**”). It is a term of the Guarantee that the Company shall, among others, procure that the substantial shareholders of the Company (as disclosed at pages 69 to 70 of the 2017 annual report of the Company) and/or their ultimate beneficial owners together with their respective associates and connected persons in aggregate shall maintain not less than 30% shareholding in and remain a single largest shareholder of the Company. Similarly, pursuant to the Facility Agreement, the Borrower has also undertaken to procure that the substantial shareholders of the Company (as disclosed at pages 69 to 70 of the 2017 annual report of the Company) and/or their ultimate beneficial owners together with their respective associates and connected persons in aggregate shall maintain not less than 30% shareholding in and remain a single largest shareholder of the Company.

A breach of the abovementioned undertaking may constitute an event of default under the Facility Agreement, whereby the Bank may, among others, cancel the Facility and declare that all sums accrued or outstanding (including accrued interest) under the Facility Agreement be immediately due and payable. The occurrence of such event may trigger the cross default provisions of other banking or credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared by the relevant lenders to be immediately due and payable.

The Company will continue to make disclosure in its subsequent interim and annual reports pursuant to the requirements under Rule 13.21 of the Listing Rules so long as the abovementioned obligation continues to exist.

By order of the Board

Lam, Kwong-wai

Executive Director and Company Secretary

Hong Kong, 23rd November, 2018

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>