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**SOLAR BRIGHT LTD.**

*(Incorporated in the British Virgin Islands with limited liability)*

**CHINESE ESTATES HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 127)**

**JOINT ANNOUNCEMENT**

**(1) PROPOSED PRIVATISATION OF CHINESE ESTATES HOLDINGS LIMITED**

**BY**

**SOLAR BRIGHT LTD.**

**BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 99  
OF THE COMPANIES ACT**

**(2) PROPOSED WITHDRAWAL OF LISTING OF  
CHINESE ESTATES HOLDINGS LIMITED**

**(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**

**AND**

**(4) RESUMPTION OF TRADING IN SHARES OF  
CHINESE ESTATES HOLDINGS LIMITED**

**Financial Advisor to the Offeror**



**1. INTRODUCTION**

The Offeror and the Company jointly announce that, on 28 September 2021, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act.

Upon completion of the Proposal, the Offeror, Century Frontier and JLLH Investments will hold the entire issued share capital of the Company and the listing of the Shares will be withdrawn from the Stock Exchange.

## **2. TERMS OF THE PROPOSAL**

The Proposal will be implemented by way of the Scheme. If the Proposal is approved and implemented:

- (a) all Scheme Shares held by the Scheme Shareholders will be cancelled in exchange for payment of the Cancellation Price of HK\$4.00 in cash for each Scheme Share cancelled;
- (b) simultaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled, credited as fully paid, by applying the credit created as a result of the cancellation of the Scheme Shares in paying up in full at par such new Shares;
- (c) the Company will be owned as to (i) approximately 62.92% by the Offeror and (ii) approximately 24.97% by Century Frontier and approximately 12.11% by JLLH Investments, each an Offeror Concert Party; and
- (d) the Company will apply to the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange pursuant to Rule 6.15 of the Listing Rules so that such withdrawal is to take place immediately following the Effective Date.

Under the Scheme, if the Scheme becomes effective, the Scheme Shareholders will receive from the Offeror the Cancellation Price of HK\$4.00 in cash for each Scheme Share cancelled, representing a premium of approximately 83.5% over the closing price of HK\$2.18 per Share as quoted on the Stock Exchange on the Last Full Trading Date, as consideration for the cancellation of the Scheme Shares.

**The Cancellation Price will not be increased and the Offeror does not reserve the right to do so.**

As at the date of this joint announcement, the Company has not declared any dividend which remains unpaid and does not intend to declare and/or pay any dividend or other distribution on or before the Effective Date or the date on which the Scheme is not approved, or the Proposal otherwise lapses (as the case may be).

If, after the date of this joint announcement, any dividend or other distribution is made or paid in respect of the Scheme Shares, the Cancellation Price will be reduced by an amount equal to the amount of such dividend or other distribution.

The Proposal is conditional upon the fulfillment or waiver, as applicable, of the Conditions as described in the section headed “Conditions of the Proposal and the Scheme” below. All Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later

date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and/or the Court may direct), failing which the Proposal will lapse.

### **3. FINANCIAL RESOURCES**

The total maximum cash consideration payable under the Proposal on the basis described above is HK\$1,907,673,244 and the Offeror intends to finance the cash required for the Proposal from its internal cash resources.

Southwest Securities (HK) Capital Limited, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

### **4. WITHDRAWAL OF LISTING**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for withdrawal of listing of the Shares on the Stock Exchange pursuant to Rule 6.15 of the Listing Rules, so that such withdrawal is to take place immediately following the Effective Date.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and/or the Court may direct). If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

### **5. SCHEME DOCUMENT**

A Scheme Document including, amongst other things, details of the Proposal, an explanatory statement, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, a letter of advice from the independent financial adviser and notices of the Scheme Meeting and the SGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and the applicable laws and regulations.

### **6. SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading of Shares on the Stock Exchange was suspended from 9:48 a.m. on 29 September 2021, pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of Shares on the Stock Exchange with effect from 9:00 a.m. on 7 October 2021.

### **WARNINGS**

**Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who**

**are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

**This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal should be made only on the basis of information in the Scheme Document.**

**The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Details in relation to overseas Scheme Shareholders will be contained in the Scheme Document.**

## **INTRODUCTION**

On 28 September 2021, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act. Upon completion of the Proposal, the Offeror, Century Frontier and JLLH Investments will hold the entire issued share capital of the Company and the listing of the Shares will be withdrawn from the Stock Exchange.

## **TERMS OF THE PROPOSAL**

The Proposal will be implemented by way of the Scheme. If the Proposal is approved and implemented:

- (a) all Scheme Shares held by the Scheme Shareholders will be cancelled in exchange for payment of the Cancellation Price of HK\$4.00 in cash for each Scheme Share cancelled;
- (b) simultaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled, credited as fully paid, by applying the credit created as a result of the cancellation of the Scheme Shares in paying up in full at par such new Shares;
- (c) the Company will be owned as to (i) approximately 62.92% by the Offeror and (ii) approximately 24.97% by Century Frontier and approximately 12.11% by JLLH Investments, each an Offeror Concert Party; and
- (d) the Company will apply to the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange pursuant to Rule 6.15 of the Listing Rules so that such withdrawal is to take place immediately following the Effective Date.

## **Cancellation Price**

Under the Scheme, if the Scheme becomes effective, the Scheme Shareholders will receive from the Offeror the Cancellation Price of HK\$4.00 in cash for each Scheme Share cancelled, representing a premium of approximately 83.5% over the closing price of HK\$2.18 per Share as quoted on the Stock Exchange on the Last Full Trading Date, as consideration for the cancellation of the Scheme Shares. As at the date of this joint announcement, there were no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company.

## **No price increase statement**

**The Cancellation Price will not be increased and the Offeror does not reserve the right to do so.**

As at the date of this joint announcement, the Company has not declared any dividend which remains unpaid and does not intend to declare and/or pay any dividend or other distribution on or before the Effective Date or the date on which the Scheme is not approved, or the Proposal otherwise lapses (as the case may be).

If, after the date of this joint announcement, any dividend or other distribution is made or paid in respect of the Scheme Shares, the Cancellation Price will be reduced by an amount equal to the amount of such dividend or other distribution.

## **COMPARISONS OF VALUE**

The Cancellation Price represents:

- a premium of approximately 83.5% over the closing price of HK\$2.18 per Share, as quoted on the Stock Exchange on the Last Full Trading Date;
- a premium of approximately 82.6% over the average closing price of approximately HK\$2.19 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 5 trading days up to and including the Last Full Trading Date;
- a premium of approximately 50.9% over the average closing price of approximately HK\$2.65 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Full Trading Date;
- a premium of approximately 35.1% over the average closing price of approximately HK\$2.96 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including the Last Full Trading Date;
- a premium of approximately 12.7% over the average closing price of approximately HK\$3.55 per Share, based on the daily closing prices as quoted on the Stock Exchange over the 180 trading days up to and including the Last Full Trading Date;
- a discount of approximately 73.5% to the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$15.07 as at 31 December 2020 (having excluded the final dividend for 2020);
- a discount of approximately 69.2% to the unaudited consolidated net asset value attributable to Shareholders per Share of approximately HK\$12.99 as at 30 June 2021; and

- a premium of approximately 37.9% over the closing price of HK\$2.90 per Share, as quoted on the Stock Exchange on the Trading Halt Date.

The Cancellation Price has been determined after taking into account, amongst other things, the challenging, uncertain and difficult operating environment encountered by the Group, the recent and historic trading prices of the Shares and the factors as set out in the section headed “Reasons for and benefits of the Proposal” in this joint announcement and with reference to other similar privatisation transactions relating to companies listed on the Stock Exchange in recent years.

During the six-month period preceding the Trading Halt Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$4.07 on 30 March 2021, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$2.12 on 24 September 2021.

### **Total consideration**

As at the date of this joint announcement, the total issued share capital of the Company comprises 1,907,619,079 Shares. 476,918,311 Scheme Shares are currently in issue, representing approximately 25.01% of the issued share capital of the Company as at the date of this joint announcement.

Based on the Cancellation Price, the Proposal values the entire issued share capital of the Company at HK\$7,630,476,316.

The maximum amount of cash consideration required to effect the Proposal will be HK\$1,907,673,244.

### **Confirmation of financial resources**

Payment of the cash consideration under the Scheme will be funded by the internal cash resources of the Offeror.

Southwest Securities (HK) Capital Limited, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

### **CONDITIONS OF THE PROPOSAL AND THE SCHEME**

The Proposal and the Scheme will become effective and binding on the Company and all Scheme Shareholders subject to the fulfillment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Scheme Meeting;
- (b) the approval of the Scheme (by way of poll) by not less than three-fourths of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are voted either in person or by proxy at the Scheme Meeting, provided that the number of votes cast (by way of poll) against the resolution to approve the Scheme is not more than 10% of the votes attaching to all the Scheme Shares held by all the Disinterested Scheme Shareholders;
- (c) the passing of the relevant special resolution(s) by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting, in person or by proxy, at the SGM, to

approve amongst other things, (i) any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares and (ii) the simultaneous maintenance of the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares, credited as fully paid, as is equal to the number of Scheme Shares cancelled by applying the credit created as a result of the cancellation of the Scheme Shares to pay up in full at par such new Shares;

- (d) the sanction of the Scheme (with or without modifications) by the Court and the delivery to the Registrar of Companies of a copy of the order of the Court for registration;
- (e) to the extent necessary, compliance with the procedural requirements and conditions under section 46(2) of the Companies Act in relation to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares;
- (f) all Authorisations (if any) having been obtained or made from, with or by (as the case may be) the Relevant Authorities in Bermuda, Hong Kong and any other relevant jurisdictions;
- (g) all Authorisations (if any) remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (h) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal; and
- (i) all necessary consents (including consents from the relevant lenders) in connection with the Proposal and the withdrawal of listing of the Shares on the Stock Exchange which may be required under any existing contractual obligations of any member of the Group being obtained and remaining in effect.

Conditions (a) to (e) cannot be waived. The Offeror reserves the right to waive all or any of Conditions (f) to (i), to the extent permissible by relevant laws and regulations, the Listing Rules and the Takeovers Code, either in whole or in respect of any particular matter. The Company does not have the right to waive any of the Conditions. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, to the extent applicable, as the Executive may consent and/or the Court may direct, failing which the Proposal will lapse. If the Scheme is withdrawn, not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to a

right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

With reference to the Condition in paragraph (f), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any requirement for such Authorisations other than those set out in the Conditions in paragraphs (a) to (e).

With reference to the Condition in paragraph (h), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any such action, proceeding, suit, investigation, statute, regulation, demand or order.

With reference to the Condition in paragraph (i), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any such consents apart from obtaining consents from several financial institutions in relation to a number of facility letters.

If the Conditions are satisfied or waived (as applicable), the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Scheme Meeting or the SGM.

As at the date of this joint announcement, none of the Conditions have been fulfilled or waived (as the case may be).

**Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## **ARRANGEMENTS MATERIAL TO THE PROPOSAL**

As at the date of this joint announcement:

- (a) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares which might be material to the Proposal;
- (b) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal; and
- (c) neither the Offeror nor any of the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal.

## **SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the date of this joint announcement:

- (a) the total issued share capital of the Company comprises 1,907,619,079 Shares;
- (b) the Offeror directly owns, controls or has direction over 723,290,948 Shares, representing approximately 37.91% of the issued share capital of the Company, and each of Century Frontier and JLLH Investments (being an Offeror Concert Party and a direct wholly-owned

subsidiary of the Offeror), owns, controls or has direction over 476,425,000 Shares and 230,984,820 Shares respectively, representing approximately 24.97% and 12.11% of the issued share capital of the Company respectively;

- (c) the other Offeror Concert Parties (excluding Century Frontier and JLLH Investments), being close relatives of Ms. HW Chan and her spouse, and companies controlled by such close relatives, own, control or have direction over 68,535,825 Shares in aggregate, representing approximately 3.60% of the issued share capital of the Company;
- (d) there were no dealings by the Offeror or the Offeror Concert Parties in the Shares during the period commencing six months prior to the date of this joint announcement;
- (e) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or Offeror Concert Parties;
- (f) neither the Offeror nor the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company; and
- (g) neither the Offeror nor the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this joint announcement, the Scheme Shares, comprising 476,918,311 Shares, represent approximately 25.01% of the issued Shares.

The table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately upon the Scheme becoming effective (assuming no new Shares will be issued prior thereto).

Shareholder	As at the date of this joint announcement		Immediately upon the Scheme becoming effective	
	Number of Shares	Approximate % of the issued share capital of the Company	Number of Shares	Approximate % of the issued share capital of the Company
<b>Offeror</b> <sup>(1)</sup>	723,290,948	37.91	1,200,209,259	62.92
<b>Offeror Concert Parties</b>				
<i>Shares held not subject to the Scheme</i>				
– Century Frontier <sup>(2)</sup>	476,425,000	24.97	476,425,000	24.97
– JLLH Investments <sup>(2)</sup>	230,984,820	12.11	230,984,820	12.11
Sub-total:	1,430,700,768	74.99	1,907,619,079	100.00
<b>Other Offeror Concert Parties who hold Shares</b>				
<i>Shares held subject to the Scheme but the holders of which are not Disinterested Scheme Shareholders</i>				
– Favor Gain Limited <sup>(3)</sup>	50,000,000	2.62	-	-
– Ms. Chung, Siu-kuen <sup>(4)</sup>	11,743,000	0.62	-	-
– Ms. Mary Lau, Yuk-chun <sup>(5)</sup>	3,176,000	0.17	-	-
– Union Field Ltd. <sup>(6)</sup>	1,505,725	0.08	-	-

– WinPath Limited <sup>(6)</sup>	1,359,112	0.07	-	-
– Chaker Investments Ltd. <sup>(6)</sup>	751,988	0.04	-	-
Sub-total:	68,535,825	3.60	-	-
<b>Sub-total: Offeror and Offeror Concert Parties</b>	<b>1,499,236,593</b>	<b>78.59</b>	<b>1,907,619,079</b>	<b>100.00</b>
Disinterested Scheme Shareholders	408,382,486	21.41	-	-
<b>Total no. of Shares in issue</b>	<b>1,907,619,079</b>	<b>100.00</b>	<b>1,907,619,079</b>	<b>100.00</b>
<b>Total no. of Scheme Shares</b>	<b>476,918,311</b>	<b>25.01</b>	-	-

*Notes:*

- (1) Ms. HW Chan (as the trustee for her minor children) directly held the entire issued share capital of Sino Omen Holdings Limited which in turn directly hold the entire issued share capital of the Offeror.
- (2) Each of Century Frontier and JLLH Investments is directly wholly-owned by the Offeror. Ms. HW Chan is the ultimate holder (as the trustee for her minor children) of all the Shares directly held by the Offeror, Century Frontier and JLLH Investments, which amounted to approximately 74.99% of the issued share capital of the Company as at the date of this joint announcement.
- (3) Such 50,000,000 Shares are directly held by Favor Gain Limited which is a company wholly-owned by Mr. Thomas Lau, Luen-hung, a younger brother of Ms. HW Chan's spouse.
- (4) Such 11,743,000 Shares are directly held by Ms. Chung, Siu-kuen, Ms. HW Chan's mother.
- (5) Such 3,176,000 Shares are directly held by Ms. Mary Lau, Yuk-chun, a younger sister of Ms. HW Chan's spouse.
- (6) Such 1,505,725 Shares, 1,359,112 Shares and 751,988 Shares are directly held by Union Field Ltd., WinPath Limited and Chaker Investments Ltd. respectively. Each of Union Field Ltd., WinPath Limited and Chaker Investments Ltd. is a company wholly-owned by Ms. Mary Lau, Yuk-chun, a younger sister of Ms. HW Chan's spouse.

As at the date of this joint announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 1,907,619,079 Shares.

As at the date of this joint announcement, the Offeror, Century Frontier and JLLH Investments beneficially owns or controls 1,430,700,768 Shares in aggregate, representing approximately 74.99% of the issued share capital of the Company. Such Shares will not form part of the Scheme Shares and will not be voted at the Scheme Meeting and will not be cancelled upon the Scheme becoming effective.

As at the date of this joint announcement, other Offeror Concert Parties (excluding Century Frontier and JLLH Investments), being close relatives of Ms. HW Chan and her spouse, and companies controlled by such close relatives, were interested in 68,535,825 Shares in aggregate (representing approximately 3.60% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares. All the relevant Offeror Concert Parties who hold any Scheme Shares will abstain from voting on the Scheme at the Scheme Meeting.

All Shareholders will be entitled to vote on the special resolution(s) to be proposed at the SGM to approve, amongst other things, (i) any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares and (ii) the simultaneous maintenance of the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled, credited

as fully paid, by applying the credit created as a result of the cancellation of the Scheme Shares to pay up in full at par such new Shares. The Offeror and the Offeror Concert Parties have indicated that, if the Scheme is approved at the Scheme Meeting, the Offeror and the Offeror Concert Parties will vote in favour of the special resolution(s) to be proposed at the SGM. Upon the Scheme becoming effective, the Company will be owned as to (i) approximately 62.92% by the Offeror; and (ii) approximately 24.97% by Century Frontier and approximately 12.11% by JLLH Investments, each an Offeror Concert Party.

## **FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Offeror has appointed Southwest Securities (HK) Capital Limited as its financial adviser in connection with the Proposal.

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Chan, Kwok-wai, Ms. Phillis Loh, Lai-ping and Mr. Ma, Tsz-chun, has been formed to advise the Disinterested Scheme Shareholders on the Proposal and an independent financial adviser will be appointed to advise the Independent Board Committee and the Disinterested Scheme Shareholders on the Proposal. The two non-executive Directors, namely Mr. Lau, Ming-wai and Ms. Amy Lau, Yuk-wai, each being an Offeror Concert Party who does not hold any Shares, will not act as members of the Independent Board Committee. The recommendation of the Independent Board Committee and the advice from the independent financial adviser as to whether the Proposal is or is not fair and reasonable, and as to voting by the Disinterested Scheme Shareholders at the Scheme Meeting and the SGM, will be set out in the Scheme Document. Further announcement(s) will be made by the Company as soon as practicable after the independent financial adviser has been appointed.

## **REASONS FOR AND BENEFITS OF THE PROPOSAL\***

It is observed that the business environment in which the Group operates is challenging and uncertain. The COVID-19 pandemic continues since early 2020 and shows no sign of significant improvement in the near future. Its social and economic impacts are major and unprecedented.

Against this backdrop, the Group recorded a net loss attributable to owners of the Company of approximately HK\$37 million for the six months ended 30 June 2021 as compared to a net profit attributable to owners of the Company of approximately HK\$786 million for the corresponding period in 2020. The Group also experienced a decrease in net asset value. The net asset value of the Group attributable to owners of the Company as at 30 June 2021 was approximately HK\$24,778 million as compared to approximately HK\$28,759 million as at 31 December 2020. The movement in net asset value was mainly due to total comprehensive expenses attributable to owners of the Company of approximately HK\$3,962 million for the period. During the period, loss on fair value change of listed equity investment categorised as financial assets measured at fair value through other comprehensive income of approximately HK\$4,111 million was recorded as other comprehensive expenses.

Rentals from investment properties are one of the major source of income of the Group. For the six months ended 30 June 2021, the Group recorded a rental income of approximately HK\$161 million as compared to approximately HK\$212 million for the corresponding period in 2020. As at 30 June 2021, the assets reported under the property leasing segment of the Group amounted to approximately HK\$17,863 million as compared to approximately HK\$18,524 million as at 31 December 2020.

The Group has maintained a securities investment portfolio for managing capital to provide returns. For the six months ended 30 June 2021, dividend income from listed equity investments and interest income from bonds and structured products together with gain on sales of investments held-for-trading amounted to approximately HK\$530 million as compared to approximately HK\$1,715 million for the corresponding period in 2020. As at 30 June 2021, the fair value of the securities investments and treasury products amounted to approximately HK\$13,833 million as compared to those of approximately HK\$16,307 million as at 31 December 2020.

It is believed that the COVID-19 pandemic will continue to affect the business environment in which the Group operates for a period of time. In light of the latest development of the COVID-19 pandemic, it is expected that the business operations of the Group will continue to encounter challenges and uncertainty.

The Group has significant investments in two Mainland China based real estate groups, being China Evergrande Group and Kaisa Group Holdings Ltd.. With issues (especially liquidity issue) surrounding the real estate sector in Mainland China, in particular, China Evergrande Group, the prices of these securities have declined substantially in 2021.

As disclosed in the announcement of the Company dated 23 September 2021 (the “**Previous Announcement**”), during the period from 30 August 2021 to 21 September 2021 (both dates inclusive), the Group disposed of an aggregate of 108,909,000 shares in China Evergrande Group, representing approximately 0.82% of the issued share capital of China Evergrande Group as at 31 August 2021 (calculated based on the total number of issued shares in China Evergrande Group as at 31 August 2021 as disclosed in its monthly return dated 7 September 2021), in the open market of the Stock Exchange for an aggregate cash consideration of approximately HK\$246.5 million (exclusive of transaction costs). The average selling price per share in China Evergrande Group disposed of by the Group was approximately HK\$2.26 (exclusive of transaction costs).

It is also disclosed in the Previous Announcement that the Directors are cautious and concerned about the recent development of China Evergrande Group including certain disclosures made by China Evergrande Group on its liquidity and going concern in its 2021 interim results announcement and an announcement dated 14 September 2021, and the possible consequences and possible material adverse change in relation to its financial and operating positions in the event that the remedial measures said to have been taken and to be taken by China Evergrande Group could not be effectively implemented. Further, the Directors are aware and cautious that the share price of China Evergrande Group has declined significantly in the recent months. Closing price of shares of China Evergrande Group as at 31 December 2020 was HK\$14.90 per share while closing price as at 21 September 2021 was HK\$2.27 per share. Given the volatility of the stock market, and to allow flexibility in effecting the possible disposals at appropriate occasions, the Company has sought the approval of the relevant Shareholders in lieu of a general meeting pursuant to Rule 14.44 of the Listing Rules for a grant of the Disposal Mandate to the Directors to dispose of, during the mandate period, all or part of the shares of China Evergrande Group held by the Group as at 23 September 2021.

After obtaining the approval of the Disposal Mandate on 23 September 2021 and up to the date of this joint announcement, the Group further disposed of an aggregate of 168,776,000 shares of China Evergrande Group, representing approximately 1.27% of the issued share capital of China Evergrande Group as at 31 August 2021 (calculated on the above basis), in the open market of the Stock Exchange for an aggregate cash consideration of approximately HK\$442.7 million (exclusive of transaction costs).

These 108,909,000 shares and 168,776,000 shares of China Evergrande Group disposed by the Group up to the date of this joint announcement (the “**Previous Disposals**”) had a total carrying amount of approximately HK\$4,137.5 million as at 31 December 2020 (as included in the consolidated financial statements of the Company) with a closing price of HK\$14.90 per share as at 31 December 2020. As a result of the Previous Disposals, the Group is expected to record a realised loss in other comprehensive income of approximately HK\$3,449.7 million (inclusive of transaction costs) for the year ending 31 December 2021, subject to audit (the “**Expected Actual Realised Loss**”).

As at the date of this joint announcement, the Group continues to hold the Remaining China Evergrande Group Shares, representing approximately 4.39% of the issued share capital of China Evergrande Group as at 31 August 2021 (calculated on the above basis).

The Remaining China Evergrande Group Shares held by the Group had a carrying amount of approximately HK\$8,676.5 million as at 31 December 2020 (as included in the consolidated financial statements of the Company), with a closing price of HK\$14.90 per share as at 31 December 2020. Closing price of shares of China Evergrande Group as at 30 September 2021, the date before trading in the shares of China Evergrande Group was suspended on 4 October 2021, was HK\$2.95 per share.

Solely for illustration purpose, on the assumption that all the Remaining China Evergrande Group Shares held are to be disposed of by the Group during 2021 with reference to the closing price of HK\$2.95 per share as at 30 September 2021 (the “**Expected Disposals**”), it is expected that the Group will record in aggregate a realised loss in other comprehensive income of approximately HK\$10,408.3 million for the year ending 31 December 2021 as a result of the Previous Disposals and the Expected Disposals, subject to audit (the “**Expected Total Realised Loss**”).

The above matters have added further burden to the Group which has already been operating in a challenging and uncertain business environment. Further, the timing and measures imposed in connection with the issues referred to above and their related impacts are uncertain. Although the cautiously optimistic view of the core businesses of the Group in a longer term remains, with the material adverse change to the financial position of the Group since 30 June 2021 referred to above, the outlook of the Group in the foreseeable future is uncertain and difficult. This may negatively affect the stock price of the Shares. During the period from 1 January 2020 to 30 June 2021, the share price of the Company has decreased by approximately 41.3% from a closing price of HK\$6.17 per Share on 31 December 2019 to a closing price of HK\$3.62 per Share on 30 June 2021. Since 30 June 2021, the share price of the Company has further dropped by approximately 39.8% from the abovementioned closing price to a closing price of HK\$2.18 per Share on the Last Full Trading Date.

### ***Benefits for the Scheme Shareholders***

For reference purpose, the Cancellation Price of HK\$4.00 for each Scheme Share represents a premium of approximately 83.5% over the closing price of HK\$2.18 per Share as quoted on the Stock Exchange on the Last Full Trading Date and a premium of approximately 76.2% over the average closing price of approximately HK\$2.27 per Share for the 10 trading days up to and including the Last Full Trading Date, or a premium of approximately 50.9% over the average closing price of approximately HK\$2.65 per Share for the 30 trading days up to and including the Last Full Trading Date. The Proposal provides an opportunity for the Scheme Shareholders to exit their investments in the Company for all cash at a price above the prevailing market price.

While share price of the Company is generally at a downward trend in 2020 and 2021 to date, the trading volume of the Shares is low with the average daily trading volume of the Shares for the 12

months up to and including the Last Full Trading Date was approximately 388,506 Shares per day, representing only approximately 0.02% of the issued Shares and approximately 0.08% of the issued Shares held by the public Shareholders as at the date of this joint announcement. The low trading liquidity of the Shares could make it difficult for the Shareholders to execute substantial on-market disposals efficiently within a reasonable timeframe without affecting the market price of the Shares, and to dispose of a large number of Shares when any event that has an adverse impact on the price of the Shares occurs. The Proposal provides an option for the Scheme Shareholders to dispose their Shares without having to suffer from any illiquidity and settlement risk.

### ***Benefits for the Company and the Offeror***

The Proposal will eliminate the listing of the Company. It is considered that the delisting of the Company would reduce the costs and management resources associated with the maintenance of the listing of the Company on the Stock Exchange and its publicly listed status. It could also provide more flexibilities to the Group as a privately-owned business in formulating and implementing its long-term business strategies or to pursue other business opportunities and without having to focus on the short-term market reactions or regulatory restrictions and compliance obligations arising from being a company listed on the Stock Exchange.

Taking into account the above reasons and factors, the Board has decided to put forward the Proposal to the Scheme Shareholders for their consideration.

*\* The financial figures of the Company for the year ended 31 December 2020 are audited and the financial figures of the Company for the six months ended 30 June 2021 are unaudited.*

### **IMPLICATIONS UNDER RULE 10 OF TAKEOVERS CODE**

Pursuant to Rule 10 of the Takeovers Code, the aforesaid disclosure of the Expected Actual Realised Loss and the Expected Total Realised Loss (the “**Relevant Financial Information**”) constitutes a profit forecast and is required to be repeated in full, together with the reports from the Company’s financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the Shareholders in accordance with Rule 10.4 of the Takeovers Code. As additional time is required for the financial advisers and auditors or accountants of the Company to report on the Relevant Financial Information in compliance with the requirements of Rule 10 of the Takeovers Code, the Relevant Financial Information disclosed in this joint announcement does not meet the standard required by Rule 10 of the Takeovers Code. According to Practice Note 2 to the Takeovers Code on issues relating to profit forecasts under Rule 10 of the Takeovers Code, the Executive is prepared to permit publication of the Relevant Financial Information in this joint announcement without full compliance with Rule 10 of the Takeovers Code.

**Shareholders and potential investors should, however, exercise caution in placing reliance on the Relevant Financial Information in assessing the merits and demerits of the Proposal. The Relevant Financial Information will be reported on as soon as possible and the relevant reports will be contained in the next document to be sent to the Shareholders (which is expected to be the Scheme Document) and in compliance with the requirements of Rule 10 of the Takeovers Code.**

### **INTENTION OF THE OFFEROR WITH REGARD TO THE COMPANY**

Following the implementation of the Proposal, the Offeror intends that the Group to maintain its existing business upon the successful privatisation of the Company. The Offeror has no intention to

have the Shares listed in other markets and to make major changes to the business of the Group and the employment of the employees of the Group, save for those changes which the Offeror may from time to time implement following the review of its strategy relating the business, structure and/or direction of the Group.

## INFORMATION ON THE OFFEROR

The Offeror is a business company incorporated in the BVI with limited liability and is an investment holding company. The Offeror is directly wholly-owned by Sino Omen Holdings Limited which is in turn held by Ms. HW Chan (as the trustee for her minor children). The main assets of the Offeror are the Shares it holds.

The directors of the Offeror are Ms. HW Chan and Ms. Chan, Sze-wan.

## INFORMATION ON THE COMPANY

The Company is an exempted company incorporated in Bermuda with limited liability and, together with its subsidiaries, are principally engaged in property investment and development, building and property management, brokerage, securities investment, money lending and cosmetics distribution and trading.

### Financial information

The following table is a summary of certain audited consolidated financial information of the Company for the two financial years ended 31 December 2019 and 2020, respectively as extracted from the Company's annual report for the year ended 31 December 2020 published on 23 April 2021 and unaudited consolidated financial information of the Company for the six months ended 30 June 2021 as extracted from the Company's interim report for the six months ended 30 June 2021 published on 20 September 2021:

	<b>For the six months ended / as at 30 June 2021</b>	<b>For the year ended / as at 31 December</b>	
	<i>HK\$'000</i> (unaudited)	<b>2020</b> <i>HK\$'000</i> (audited)	<b>2019</b> <i>HK\$'000</i> (audited)
Total revenue	726,167	3,041,464	1,309,952 (restated)
(Loss) profit before tax	(26,640)	692,546	948,910
(Loss) profit for the period/year	(35,470)	622,264	791,652
Total comprehensive expenses for the period/year	(3,959,660)	(4,978,586)	(282,120)
Total equity	24,801,514	28,780,250	33,590,361

## WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled. Share certificates for the Scheme Shares held by the Scheme Shareholders will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, subject to the

Scheme becoming effective, so that such withdrawal is to take place immediately following the Effective Date.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and/or the Court may direct). If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

**If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.**

## **OVERSEAS SCHEME SHAREHOLDERS**

The making and implementation of the Proposal to the Scheme Shareholders who are not residents in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not residents in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Southwest Securities (HK) Capital Limited, the financial adviser to the Offeror, that those laws and regulatory requirements have been complied with. In the event that the receipt of the Scheme Document by Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders. If any such waiver is granted by the Executive, the Offeror and the Company reserve the right to make arrangements in respect of Shareholders not resident in Hong Kong in relation to the Proposal. Such arrangements may include notifying any matter in connection with the Scheme or Proposal to the Shareholders having a registered overseas address by announcement or by

advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such Shareholders are resident. The notice will be deemed to have been sufficiently given despite any failure by such Shareholders to receive or see that notice.

## **TAXATION ADVICE**

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal. It is emphasised that none of the Offeror, the Company, Southwest Securities (HK) Capital Limited or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of the implementation of the Proposal.

## **SCHEME DOCUMENT**

A Scheme Document including, amongst other things, further details of the Proposal, an explanatory statement, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from an independent financial adviser to be appointed to advise the Independent Board Committee and the Disinterested Scheme Shareholders on the Proposal, and notices of the Scheme Meeting and the SGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and applicable laws and regulations. The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Scheme Meeting or the SGM.

## **DISCLOSURE OF DEALINGS**

In accordance with Rule 22 of the Takeovers Code, associates (as defined in the Takeovers Code and including persons holding 5% or more of any class of relevant securities of the Company or the Offeror) of the Offeror and the Company are reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code during the period commencing from the date of this joint announcement and ending on the Effective Date (or, if earlier, the date on which the Scheme is withdrawn or lapses in accordance with its terms and the Takeovers Code). In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in any relevant securities should appreciate that stockbrokers and other*

*intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **GENERAL**

As at the date of this joint announcement:

- (a) no benefit (other than statutory compensation) had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Proposal;
- (b) there is no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror, the Offeror Concert Parties and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Proposal;
- (c) there is no agreement, arrangement or understanding which may result in the securities of the Company to be acquired in pursuance of the Proposal being transferred, charged or pledged to any other person;
- (d) there is no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which exists between the Offeror, the Offeror Concert Parties and any other person;
- (e) other than the Cancellation Price for each Scheme Share cancelled payable under the Scheme, the Offeror or the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares;
- (f) there is no understanding, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and any of the Offeror Concert Parties on one hand and the Scheme Shareholders and persons acting in concert with any of them on the other hand; and
- (g) there is no understanding, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any shareholder of the Company; and (2) (i) the Offeror and any of the Offeror Concert Parties and (ii) the Company, its subsidiaries or associated companies.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading of Shares on the Stock Exchange was suspended from 9:48 a.m. on 29 September 2021, pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of Shares on the Stock Exchange with effect from 9:00 a.m. on 7 October 2021.

## **DEFINITIONS**

In this joint announcement, the following expressions have the meanings set forth below unless the context requires otherwise.

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” and “concert parties” shall be construed accordingly;
“associate(s)”	has the meaning given to it in the Takeovers Code;
“Authorisations”	all necessary notifications, registrations, applications, filings, authorisations, orders, recognitions, grants, waivers and consents, licences, confirmations, clearances, permissions, no-action relief, exemption relief orders and approvals (including without limitation any which are required or desirable under or in connection with any applicable laws and regulations or any licenses, permits or contractual obligations of the Company), and all appropriate waiting periods (including extensions thereof), in connection with the Proposal;
“Board”	the board of Directors;
“BVI”	British Virgin Islands;
“Cancellation Price”	a price of HK\$4.00 per Scheme Share payable in cash to the Scheme Shareholders pursuant to the Scheme;
“Century Frontier”	Century Frontier Limited, a business company incorporated in the BVI with limited liability, directly wholly-owned by the Offeror as at the date of this joint announcement;
“Companies Act”	the Companies Act 1981 of Bermuda, as amended;
“Company”	Chinese Estates Holdings Limited, an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 127);
“Condition(s)”	the condition(s) of the Proposal, as set out in the section headed “Conditions of the Proposal and the Scheme” of this joint announcement;
“Court”	the Supreme Court of Bermuda;
“Director(s)”	the director(s) of the Company;
“Disinterested Scheme Shareholder(s)”	Scheme Shareholder(s) other than the Offeror and the Offeror Concert Parties;
“Disposal Mandate”	a mandate granted by the Shareholders to the Directors to dispose of up to 751,091,000 shares of China Evergrande Group held by the Group in accordance with the terms and conditions as set out in the announcement of the Company dated 23 September 2021;
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions;

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent board committee of the Company which comprises all the independent non-executive Directors, namely Mr. Chan, Kwok-wai, Ms. Phillis Loh, Lai-ping and Mr. Ma, Tsz-chun, formed to advise the Disinterested Scheme Shareholders on the Proposal;
“JLLH Investments”	Joseph Lau Luen Hung Investments Limited, a business company incorporated in the BVI with limited liability, directly wholly-owned by the Offeror as at date of this joint announcement;
“Last Full Trading Date”	28 September 2021, being the last full trading day prior to the suspension of trading of Shares pending the issue of this joint announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	30 June 2022 or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Court may direct and, in all cases, as permitted by the Executive;
“Ms. HW Chan”	Ms. Chan, Hoi-wan, an executive Director, the chief executive officer of the Company and a trustee of the substantial shareholders of the Company (who are her minor children);
“Offeror”	Solar Bright Ltd., a business company incorporated in the BVI with limited liability, which is ultimately beneficially wholly-owned by Ms. HW Chan (as the trustee for her minor children);
“Offeror Concert Party(ies)”	person(s) acting in concert or presumed to be acting in concert with the Offeror in relation to the Company, such persons who hold Shares include (i) companies controlled by the Offeror, namely Century Frontier and JLLH Investments; (ii) Ms. HW Chan’s mother, namely Ms. Chung, Siu-kuen; (iii) a younger sister of Ms. HW Chan’s spouse, namely Ms. Mary Lau, Yuk-chun; (iv) companies controlled by Ms. Mary Lau, Yuk-chun, namely Union Field Ltd., WinPath Limited and Chaker Investments Ltd.; and (v) a company controlled by Mr. Thomas Lau, Luen-hung, a younger brother of Ms. HW Chan’s spouse, namely Favor Gain Limited;
“PRC”	the People’s Republic of China;
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme as described in this joint announcement;

“Registrar of Companies”	the Registrar of Companies in Bermuda;
“Relevant Authorities”	any competent governments and/or governmental bodies, regulatory bodies, courts or institutions;
“Remaining China Evergrande Group Shares”	582,315,000 shares of China Evergrande Group held by the Group as at the date of this joint announcement;
“Scheme”	a scheme of arrangement to be proposed under section 99 of the Companies Act between the Company and the Scheme Shareholders involving, amongst other things, the cancellation of all the Scheme Shares, with or subject to any modifications, additions or conditions as may be approved or imposed by the Court;
“Scheme Document”	the scheme document to be issued by the Company to the Shareholders in relation to the Proposal;
“Scheme Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Court, at which the Scheme (with or without modifications) will be voted upon, or any adjournment thereof;
“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares;
“Scheme Share(s)”	Share(s), other than those Shares held by the Offeror, Century Frontier and JLLH Investments;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SGM”	the special general meeting of the Company to be convened and held immediately following the Scheme Meeting for the purposes of approving all necessary resolutions for, amongst other things, the implementation of the Proposal, or any adjournment thereof;
“Share(s)”	ordinary share(s) of par value HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning given in the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Trading Halt Date”	29 September 2021, being the date of commencement of trading halt of the Shares pending the issue of this joint announcement; and
“%”	per cent.

By order of the board of  
**SOLAR BRIGHT LTD.**  
**Chan, Hoi-wan**  
*Director*

By order of the board of  
**CHINESE ESTATES HOLDINGS LIMITED**  
**Lam, Kwong-wai**  
*Executive Director and Company Secretary*

Hong Kong, 6 October 2021

*As at the date of this joint announcement, the Board comprises Ms. HW Chan, 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by directors of the Offeror in their capacity as the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*Website: <http://www.chineseestates.com>*

*As at the date of this joint announcement, the directors of the Offeror are Ms. HW Chan and Ms. Chan, Sze-wan.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*