



CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

REVOCATION OF ADDITIONAL CORPORATE GOVERNANCE MEASURES

Reference is made to the announcement of Chinese Estates Holdings Limited (the “Company”) dated 28th April, 2006 (the “Announcement”) regarding the adoption of additional corporate governance measures (the “Measures”). Unless otherwise provided, terms used in this announcement shall have the same meanings as used in the Announcement.

The remuneration policy for Executive Directors under the Measures (the “Remuneration Policy”) set out that save with the prior approval of the Independent Board Committee, all fees and emoluments to be paid to Mr. Joseph Lau, Luen-hung (“Mr. Lau”), the Chairman and Chief Executive Officer of the Company, Mr. Thomas Lau, Luen-hung who was an Executive Director of the Company, and their associates (as defined in Rule 1.01 of the Listing Rules as extended by Rule 14A.11(4) of the Listing Rules) would not exceed in aggregate an amount of HK\$8,000,000 each year (the “Cap Amount”), plus any adjustment by reference to the changes in consumer price index published by the Government of Hong Kong. The remuneration committee of the Company (the “Remuneration Committee”) has been formed since 30th May, 2005 and its members currently comprise all Independent Non-executive Directors. Upon request from Mr. Lau, the Remuneration Committee reviewed the emolument of Mr. Lau at the time of considering the renewal of Mr. Lau’s service agreement, and approved the increment of Mr. Lau’s emolument per annum from HK\$3,600,000 to HK\$18,000,000 with effect from 1st January, 2009.

As the increase of Mr. Lau’s annual emolument to an amount exceeding HK\$8,000,000 has been approved by the Remuneration Committee, the Cap Amount of the Remuneration Policy would no longer be applicable in the future. The Remuneration Committee recommended to the Board that the Remuneration Policy be revoked with effect from 1st January 2009. The Board has on 31st December, 2008 considered and endorsed the aforesaid decision of the Remuneration Committee on the increase of Mr. Lau’s emolument and approved the recommendation of revocation of the Remuneration Policy. However, the Remuneration Committee will continue to review the remuneration packages of Executive Directors regularly pursuant to its terms of reference and the Code on Corporate Governance Practices of the Listing Rules.

The Board also took the opportunity to review the other parts of the Measures and after taking into account the existing protection available to the shareholders of the Company under the Listing Rules, the additional burden on the Company in terms of time and administrative costs in complying with such additional measures, and the scope of discretion which should be left to the Board to allow sufficient flexibility, the Board considered that it would be in the interest of the Company to revoke the Measures and therefore approved the revocation of the Measures in their entirety with effect from 1st January, 2009.

By Order of the Board
Lam, Kwong-wai
Company Secretary

Hong Kong, 31st December, 2008

As at the date of this announcement, the Board comprised Mr. Joseph Lau, Luen-hung as Executive Director, 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>