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CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

INSIDE INFORMATION ANNOUNCEMENT PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the information currently available to the Management, it is expected that the Group may record substantial decrease in both the Revenue ranging from 62% to 72% and the Profit ranging from 88% to 98% for the Year, as compared with the revenue of HK\$1,435 million and the consolidated net profit attributable to owners of the Company of HK\$1,152 million for the year ended 31 December 2022.

The Company is in the process of finalising the Group's final results for the Year. The information contained in this announcement is only based on a preliminary assessment made by the Management on the unaudited consolidated management accounts of the Group and is not based on any figures or information that have been audited or reviewed by the Company's auditors, nor reviewed by the audit committee, and may be subject to amendments. Details of the Group's financial information will be disclosed in the forthcoming final results announcement which is expected to be published in March 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company and, in case of doubt, to seek independent advice from professional or financial advisers.

This announcement is made by Chinese Estates Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited 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) (the "**SFO**").

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the management of the Company (the “**Management**”), it is expected that the Group may record substantial decrease in both the revenue (the “**Revenue**”) ranging from 62% to 72% and consolidated net profit attributable to owners of the Company (the “**Profit**”) ranging from 88% to 98% for the year ended 31 December 2023 (the “**Year**”), as compared with the revenue of HK\$1,435 million and the consolidated net profit attributable to owners of the Company of HK\$1,152 million for the year ended 31 December 2022.

Following are the main reasons which led to the substantial decrease in the Revenue and the Profit:-

- (1) Decrease in the Revenue and the Profit derived from decrease in dividend income from an unlisted equity security (the “**Investee Company**”). During the Year, the Group recognised dividend income of HK\$76 million (2022: HK\$1,014 million) from the Investee Company, holding a property development project in Hong Kong (10% interest).
- (2) Turnaround of fair value changes of investment properties from gain to loss. The Group’s investment properties were revalued as at 31 December 2023 and loss on fair value changes of approximately HK\$31 million (2022: gain of HK\$528 million) would be recorded for the Year as compared with the fair value as at 31 December 2022. The loss on fair value changes for the Year was mainly derived from the decrease in fair value of redevelopment properties located in Hong Kong and the United Kingdom. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.
- (3) Increase in finance costs. As a result of the surge in interest rates, finance costs increased to approximately HK\$223 million (2022: HK\$133 million) during the Year.
- (4) Decrease in net loss from results of investments and treasury products at fair value through profit or loss (“**FVTPL**”). It is estimated that unrealised loss on the fair value changes of approximately HK\$96 million (2022: HK\$318 million) would be recognised in profit or loss for the Year. The net loss from results of investments and treasury products at FVTPL comprising the unrealised loss decreased to approximately HK\$22 million (2022: HK\$274 million).
- (5) Increase in share of results of investments accounted for using the equity method. The increase was mainly due to fair value changes of investment properties held by associates turned from loss to gain and recognition of reversal of impairment loss by an associate during the Year.

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By order of the Board
Mak, Kai-ye
Company Secretary

Hong Kong, 5 March 2024

As at the date of this announcement, the Board comprised Ms. Chan, Hoi-wan and Ms. Chan, Lok-wan as Executive Directors, Mr. Lau, Ming-wai and Ms. Amy Lau, Yuk-wai as Non-executive Directors, and Mr. Chan, Kwok-wai, Mr. Leung, Yun-fai, Ms. Phillis Loh, Lai-ping and Mr. Ma, Tsz-chun as Independent Non-executive Directors.

Website: <https://www.chineseestates.com>