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

**EXEMPTED CONTINUING CONNECTED TRANSACTIONS
CONTRACT FOR RENTAL SERVICES**

CEL, a direct wholly-owned subsidiary of the Company, has been providing (or procuring the provision of), among others, the rental services to Ms. Chan and/or the Chan Associates under the Existing Contract. As the Existing Contract will expire on 31 October 2026, CEL and Ms. Chan entered into the Contract for Rental Services on 15 July 2026 to govern the continued provision of the Rental Services to Ms. Chan and/or the Chan Associates after expiry of the Existing Contract. The term of the Contract for Rental Services will commence on 1 November 2026 for three (3) years unless otherwise terminated earlier in accordance with the Contract for Rental Services.

Ms. Chan, an executive Director, Chief Executive Officer of the Company and a trustee of the substantial shareholders of the Company (who are her minor children), is indirectly interested in an aggregate of approximately 74.99% of the total issued share capital of the Company as at the date of this announcement. Therefore, Ms. Chan is a connected person of the Company and the entering into of the Contract for Rental Services and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules.

As the highest applicable percentage ratio under Chapter 14A of the Listing Rules in respect of the caps under the Contract for Rental Services is more than 0.1% but less than 5%, the entering into of the Contract for Rental Services and the transactions contemplated thereunder are only subject to reporting, announcement and annual review requirements but are exempted from the independent Shareholders' approval requirement under the Listing Rules.

THE CONTRACT FOR RENTAL SERVICES

The principal terms of the Contract for Rental Services are set out below:

Date

15 July 2026

Parties

- (a) CEL
- (b) Ms. Chan

Term

The term of the Contract for Rental Services will commence on 1 November 2026 for three (3) years unless otherwise terminated earlier as set out under the sub-section headed “Termination” below.

Rental Services

CEL shall provide or procure any of the other CEL Companies to provide to Ms. Chan and/or the Chan Associates the rental of motor vehicles, car plates, vessels, car parking spaces, premises and such other rental services as may be requested by Ms. Chan and accepted by CEL at the absolute and sole discretion of CEL from time to time.

Rental Service Charges

For Rental Services falling within the principal activities of the Group (such as property leasing) (i.e. the Ordinary Rental Services), Ms. Chan shall pay (or procure payment) to CEL (or any of the other CEL Companies as CEL may direct) charges at rates no less favourable than the charges charged to independent third parties in the ordinary and usual course of business of the CEL Companies for the provision of similar rental services of comparable type and transaction amounts, or not less than the market rental for comparable rental services estimated at the time the relevant tenancy/license agreement is entered into and on normal commercial terms or better to the Group.

For Rental Services other than the Ordinary Rental Services (such as the rental of motor vehicles and car plates) (i.e. the Non-ordinary Rental Services), such assets are owned, leased and/or licensed by the CEL Companies and are used for business related events and purposes, which may be rented to Ms. Chan and/or the Chan Associates to generate additional income for the Group when these assets are not in use by the Group. Ms. Chan shall pay (or procure payment) to CEL (or any of the other CEL Companies as CEL may direct) charges calculated based on the estimated market rental of the relevant Non-ordinary Rental Services from time to time plus the Margin. Such estimated market rental is determined with reference to valuation on a fair market rent basis carried out by independent professional valuer on a regular basis and at least annually / rental charged by independent third parties. The said estimated market rental and the Margin are subject to revision or adjustment by CEL in its sole and absolute discretion from time to time.

Termination

The Contract for Rental Services may be terminated (i) by either party by giving a prior written notice to the other party of not less than three (3) months (or such shorter period as may be agreed by both parties); (ii) at any time on the ground of bankruptcy or winding-up of either party; or (iii) by a party on a material breach of the Contract for Rental Services by the other party which has not been remedied within one (1) month after being notified by the non-defaulting party.

CEL shall also be entitled to terminate the Contract for Rental Services by giving Ms. Chan a written notice of not less than one (1) month (or such shorter period as may be agreed by both parties or required by the Stock Exchange) at any time if the continuing performance by CEL of its obligations thereunder will or is likely to result in a breach or non-compliance of the Listing Rules by the Company.

Termination in accordance with the above shall be without prejudice to any claim for any antecedent breach, non-observance or non-performance of the terms or conditions in the Contract for Rental Services.

HISTORICAL AMOUNTS AND PROPOSED CAPS

The caps of the service charges for the rental services under the Existing Contract are as follows:

For the period from 1 November 2023 to 31 December 2023	For the financial year ended 31 December 2024	For the financial year ended 31 December 2025	For the period from 1 January 2026 to 31 October 2026
HK\$	HK\$	HK\$	HK\$
1,500,000	9,000,000	9,400,000	8,300,000

The aggregate amounts of the service charges received by the Group for the rental services under the Existing Contract were HK\$1,174,986 for the two months ended 31 December 2023, HK\$6,905,526 for the financial year ended 31 December 2024, HK\$5,642,957 for the financial year ended 31 December 2025 and HK\$2,499,090 for the six months ended 30 June 2026.

Having considered (i) the historical amounts received by the Group for the rental services under the Existing Contract; (ii) the estimated Rental Service Charges under the Contract for Rental Services; and (iii) allowing a reasonable buffer for any upward adjustments on the Rental Service Charges charged by the CEL Companies (including due to inflation or otherwise), the Board proposed that the Rental Service Charges under the Contract for Rental Services shall not exceed the following caps for the respective period or financial year below:

For the period from 1 November 2026 to 31 December 2026	For the financial year ending 31 December 2027	For the financial year ending 31 December 2028	For the period from 1 January 2029 to 31 October 2029
HK\$	HK\$	HK\$	HK\$
1,500,000	9,100,000	9,500,000	8,300,000

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACT FOR RENTAL SERVICES

The Contract for Rental Services will continue to generate income for the Group as the Group will continue to receive the Rental Service Charges.

Provision of the Ordinary Rental Services is part of the principal activities of the Group and the Ordinary Rental Services will be provided in the ordinary and usual course of business of the Group on normal commercial terms or better or on terms no less favourable to the Group than those offered to independent third parties for similar rental services.

The Company considered that the Margin for the Non-ordinary Rental Services are favourable to the Group on the basis that the charges for the Non-ordinary Rental Services (which will generate additional income for the Group) are made at least 30% above estimated market rental.

The terms of the Contract for Rental Services (including the basis of the Rental Service Charges and, where applicable, the guaranteed rate of the Margin) are arrived at after arm's length negotiation and with no unusual or onerous obligations on the part of the Group.

In view of the above, the Directors (including the independent non-executive Directors) considered that the terms of the Contract for Rental Services and the caps are fair and reasonable, on normal commercial terms or better to the Group; and the provision of Rental Services (other than Non-ordinary Rental Services) contemplated under the Contract for Rental Services are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

In addition to services similar to the Rental Services, the Existing Contract covers other services including the leasing administration services, the sale administration services, the property management services, the property administration services, the asset management and maintenance services, the advisory and consultancy services, and the other ordinary services, details of which are set out in the announcement of the Company dated 16 August 2023. As certain individual lease agreement(s) will soon expire and any renewed term of such lease(s) will extend beyond the term of the Existing Contract which will expire on 31 October 2026, the Contract for Rental Services was entered into to ensure the continuation of such existing lease(s). The Company is considering and evaluating the terms of the other services covered by the Existing Contract and will issue a further announcement as and when appropriate.

INTERNAL CONTROL

The Group has adopted the following internal control measures over the continuing connected transactions of the Company under the Contract for Rental Services:

1. The head of each relevant department of the Group will submit monthly/annual report on the usage of the motor vehicles, car plates and car parking spaces, etc. and/or the total expenses and costs incurred and calculation of the Rental Service Charges (as the case may be) for the Rental Services to the finance & accounts department of the Group for their review. The finance & accounts department of the Group will ensure that the Rental Service Charges are charged in accordance with the pricing policies stated in the Contract for Rental Services.

2. The finance & accounts department of the Group is primarily responsible for reviewing and monitoring the continuing connected transactions under the Contract for Rental Services to ensure that the cap is not exceeded. If the amount of the Rental Service Charges payable by Ms. Chan and/or the Chan Associates under the Contract for Rental Services is expected to exceed the cap, the Company will re-comply with all applicable requirements under the Listing Rules, including (where required) the obtaining of approval by the independent Shareholders, before the caps are exceeded.
3. The independent non-executive Directors and the external auditors of the Company will conduct annual review on the continuing connected transactions contemplated under the Contract for Rental Services to confirm that, among others, such transactions are in accordance with the pricing policies stated in the Contract for Rental Services and have been entered into in accordance with the Contract for Rental Services and in accordance with Rule 14A.55 and Rule 14A.56 of the Listing Rules respectively. They will also review the Margin annually to ensure that they are fair and reasonable and not less favourable to the Group than those offered to independent third parties.
4. In case there will be a material change to the terms of the Contract for Rental Services before its expiry or termination, or if the Contract for Rental Services is proposed to be renewed, the Company will re-comply with all applicable requirements under the Listing Rules, including (where required) the obtaining of approval by the independent Shareholders.

INFORMATION ON THE PARTIES

The Group is principally engaged in property investment and development, building and property management, securities investment and cosmetics distribution and trading.

CEL is an investment holding company incorporated in Hong Kong with provision of management services to its group companies and a direct wholly-owned subsidiary of the Company.

Ms. Chan is an executive Director, Chief Executive Officer of the Company and a trustee of the substantial shareholders of the Company (who are her minor children) who is indirectly interested in an aggregate of approximately 74.99% of the total issued share capital of the Company as at the date of this announcement. Ms. Chan is the elder sister of Ms. Chan, Lok-wan (an executive Director), the step-mother of Mr. Lau, Ming-wai (a non-executive Director and the Chairman of the Board) and the sister-in-law of Ms. Amy Lau, Yuk-wai (a non-executive Director).

LISTING RULES IMPLICATION

Ms. Chan, an executive Director, Chief Executive Officer of the Company and a trustee of the substantial shareholders of the Company (who are her minor children), is indirectly interested in an aggregate of approximately 74.99% of the total issued share capital of the Company as at the date of this announcement. Therefore, Ms. Chan is a connected person of the Company and the entering into of the Contract for Rental Services and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules.

As the highest applicable percentage ratio under Chapter 14A of the Listing Rules in respect of the caps under the Contract for Rental Services is more than 0.1% but less than 5%, the entering into of the Contract for Rental Services and the transactions contemplated thereunder are only subject to reporting, announcement and annual review requirements but are exempted from the independent Shareholders' approval requirement under the Listing Rules.

Ms. Chan, being a party to the Contract for Rental Services, has a material interest in the Contract for Rental Services and the transactions contemplated thereunder. Therefore, Ms. Chan and together with her associates, Ms. Chan, Lok-wan, Mr. Lau, Ming-wai, and also her relative, Ms. Amy Lau, Yuk-wai have abstained from voting for the approval of the Contract for Rental Services and the transactions contemplated thereunder at the Board meeting held to approve the Contract for Rental Services if they were presented at such meeting to avoid any actual or potential conflict of interest. Save as disclosed above, no other Directors has a material interest in the Contract for Rental Services and is required to abstain from voting on such resolutions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“CEL”	Chinese Estates, Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“CEL Companies”	CEL, its holding company, subsidiaries and fellow subsidiaries, and any one of the CEL Companies shall refer to as a “CEL Company”
“Chan Associate(s)”	the associate(s) and/or relative(s) of Ms. Chan as may be designated by Ms. Chan and notified to and accepted by CEL as recipient(s) of the Rental Services from time to time
“Company”	Chinese Estates Holdings Limited (stock code: 127), a company incorporated in Bermuda with limited liability, the Shares are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Contract for Rental Services”	the contract for rental services dated 15 July 2026 entered into between CEL and Ms. Chan in respect of the provision of the Rental Services which term will commence on 1 November 2026 for three (3) years unless otherwise terminated earlier in accordance with the Contract for Rental Services
“Director(s)”	director(s) of the Company

“Existing Contract”		the contract for services dated 16 August 2023 entered into between CEL and Ms. Chan in respect of the provision of, among others, the rental services, which commenced on 1 November 2023 for a term of three (3) years unless otherwise terminated earlier in accordance with the Existing Contract
“Group”		the Company and its subsidiaries
“HK\$”		Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”		the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”		the Rules Governing the Listing of Securities on the Stock Exchange
“Margin”		a premium at such rate or of such amount as shall be determined by CEL in its sole and absolute discretion from time to time, which in any event shall be no less than a rate of 30%
“Ms. Chan”		Ms. Chan, Hoi-wan, an executive Director, Chief Executive Officer of the Company and a trustee of the substantial shareholders of the Company (who are her minor children)
“Non-ordinary Rental Services”		such Rental Services other than the Ordinary Rental Services
“Ordinary Rental Services”	Rental	such Rental Services falling with the principal activities of the Group
“relative(s)”		has the meaning ascribed to it in the Listing Rules
“Rental Services”		the Rental Services as specified under the Contract for Rental Services and summarised in the sub-section headed “Rental Services” in this announcement
“Rental Charges”	Service	the charges payable by Ms. Chan and/or the Chan Associates for the Rental Services pursuant to the Contract for Rental Services
“Share(s)”		ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”		the holder(s) of the Share(s)
“Stock Exchange”		The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”		has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“substantial
shareholder(s)” has the meaning ascribed to it in the Listing Rules

“%” per cent

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

Hong Kong, 15 July 2026

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 and Mr. Ma, Tsz-chun as Independent Non-executive Directors.

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