THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your Shares, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

CONTINUING CONNECTED TRANSACTIONS
CONTRACT FOR SERVICES
AND
NOTICE OF SPECIAL GENERAL MEETING

INDEPENDENT FINANCIAL ADVISER TO
THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS

Gram Capital Limited
嘉林資本有限公司

Capitalised terms used in this cover page have the same meanings as defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 8 to 22 of this circular and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages IBC-1 to IBC-2 of this circular. A letter of advice from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-12 of this circular.

A notice convening the SGM to be held at The AIR, L16, The ONE, 100 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 8 October 2026 at 10:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. If you are not able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

14 September 2026

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

"Advisory and Consultancy Services"	the Advisory and Consultancy Services as summarised in the sub-section headed "Scope of Services to be provided by CEL Companies" in the "Letter from the Board" in this circular
"Announcement"	the announcement of the Company dated 10 August 2026 in respect of the Contract
"Assets"	collectively, properties and related assets (including without limitation the fixtures, fittings, information technology related devices and equipment therein) and such other assets of a nature normally requiring management service, maintenance service or other similar services which are beneficially owned, leased, licensed, occupied or otherwise used by Ms. Chan and/or the Chan Associates
"Asset Management and Maintenance Services"	the Asset Management and Maintenance Services as part of the Property-related Services and summarised in the sub-section headed "Scope of Services to be provided by CEL Companies" in the "Letter from the Board" in this circular
"associate(s)"	has the meaning ascribed to it in Chapter 14A of 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 and 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 relevant 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
"Condition"	has the meaning ascribed to it in the sub-section headed "Condition" in the "Letter from the Board" in this circular

"connected person"	has the meaning ascribed to it in the Listing Rules
"Contract"	the contract for services dated 10 August 2026 entered into between CEL and Ms. Chan in respect of the provision of the Services which term will, subject to the Condition, commence on 1 November 2026 for three (3) years unless otherwise terminated earlier in accordance with the Contract
"Director(s)"	director(s) of the Company
"Excelsior Plaza"	the shopping mall at Causeway Bay, Hong Kong comprising: (i) all those parts or portions of the Ground Floor, the First Floor, the Second Floor and main roof of Chee On Building; (ii) all those parts or portions of the Ground Floor, the First Floor, the Second Floor and main roof of Yee On Building; and (iii) Annex Land Building occupying Subsection 2 of Section G of Marine Lot No. 52 and the Extension, Section B of Subsection 1 of Section A of Marine Lot No. 52 and the Extension thereto, Subsection 3 of Section G of Marine Lot No. 52 and the Extension thereto, the Remaining Portion of Inland Lot No. 469 and the Remaining Portion of Section A of Inland Lot No. 470 and Subsection 1 of Section G of Marine Lot No. 52 and the Extension thereto and Section A of Subsection 1 of Section A of Marine Lot No. 52 and the Extension thereto
"Excelsior Properties"	the Excelsior Street Shops and the Laforet Properties
"Excelsior Street Shops"	the properties comprising Shop Nos. 1 to 3 and 6 to 12 on Ground Floor and Unit Nos. 6 to 11 on 1st Floor of Yee On Building and Shop No. 21 on Ground Floor of Chee On Building together with the External Walls on Ground Floor, 1st Floor and 2nd Floor and the Main Roof of Yee On Building, Excelsior Plaza, Nos. 24-26 East Point Road, Causeway Bay, Hong Kong
"Existing Advisory and Consultancy Services"	the advisory and consultancy services provided by the CEL Companies pursuant to the Existing Contract for Services, details of which are set out in the announcement of the Company dated 16 August 2023

"Existing Contract for Services"	the contract for services dated 16 August 2023 entered into between CEL and Ms. Chan for the provision of, among others, the Existing Services, which commenced on 1 November 2023 for a term of three (3) years unless otherwise terminated earlier in accordance with the Existing Contract for Services, details of which are set out in the announcement of the Company dated 16 August 2023
"Existing Property-related Services"	collectively, the leasing administration services; the sale administration services; the property management services; the property administration services; and the asset management and maintenance services provided by the CEL Companies pursuant to the Existing Contract for Services, details of which are set out in the announcement of the Company dated 16 August 2023
"Existing Services"	collectively (i) the Existing Property-related Services; and (ii) the Existing Advisory and Consultancy Services provided to Ms. Chan and/or the Chan Associates pursuant to the Existing Contract for Services
"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
"Independent Board Committee"	the independent board committee of the Board, comprising all the independent non-executive Directors, namely, Mr. Chan, Kwok-wai, Mr. Leung, Yun-fai and Mr. Ma, Tsz-chun, established for the purpose of advising the Independent Shareholders in respect of the Contract and the transactions contemplated thereunder
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Contract and the transactions contemplated thereunder (including the caps)
"Independent Shareholders"	the Shareholders, other than Ms. Chan, her associates and relatives (if they hold any Shares)
"Josephine Court Properties"	the property known as "Josephine Court" situated at No. 12 Shiu Fai Terrace, Mid-levels East, Hong Kong

"Laforet Properties"	the properties comprising: (i) Shop No. 31 on 1st Floor, Shop No. 32 (Part) on Ground Floor, 1st Floor and 2nd Floor, Shop No. 32 (Part) on 2nd Floor, External Walls on Ground Floor, 1st Floor and 2nd Floor, Reserved shares for Naming Right in respect of Ground Floor, 1st Floor and 2nd Floor and Main Roof of Chee On Building, Excelsior Plaza, No. 24 East Point Road, Causeway Bay, Hong Kong; (ii) Reserved Area (Unit G) on 2nd Floor, Shop No. 32 (Part) on 2nd Floor and Reserved shares of and in the Land and Yee On Building forming part of the Excelsior Plaza in respect of Ground Floor, 1st Floor and 2nd Floor of Yee On Building, Excelsior Plaza, No. 26 East Point Road, Causeway Bay, Hong Kong; and (iii) Shop No. 32 (Part) on 2nd Floor, External Walls and 5 Reserved shares of and in the Land and the Annex Land Building forming part of the Excelsior Plaza in respect of Ground Floor, 1st Floor and 2nd Floor, and all that portion of the External Walls (Elevation Behind Escalator) of the Annex Land Building, Excelsior Plaza, Nos. 24-26 East Point Road, Causeway Bay, Hong Kong
"Latest Practicable Date"	7 September 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Leasing Administration Services"	the Leasing Administration Services as part of the Property-related Services and summarised in the sub-section headed "Scope of Services to be provided by CEL Companies" in the "Letter from the Board" in this circular
"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)

"Properties"	such properties as may be specified by Ms. Chan and accepted by CEL from time to time which are beneficially owned, leased, licensed, occupied or otherwise used by Ms. Chan and/or the Chan Associates
"Property-related Services"	collectively, the Leasing Administration Services; the Sale Administration Services; the Property Management Services; the Property Administration Services; and the Asset Management and Maintenance Services
"Property Administration Services"	the Property Administration Services as part of the Property-related Services and summarised in the sub-section headed "Scope of Services to be provided by CEL Companies" in the "Letter from the Board" in this circular
"Property Management Services"	the Property Management Services as part of the Property-related Services and summarised in the sub-section headed "Scope of Services to be provided by CEL Companies" in the "Letter from the Board" in this circular
"relative(s)"	has the meaning ascribed to it in Chapter 14A of the Listing Rules
"Relevant Property Management Services"	those services falling within the scope of the Property Management Services which are provided by Perfect World Company Limited (an indirect wholly-owned subsidiary of the Company) as property manager of Excelsior Plaza under the Sub-DMC
"Sale Administration Services"	the Sale Administration Services as part of the Property-related Services and summarised in the sub-section headed "Scope of Services to be provided by CEL Companies" in the "Letter from the Board" in this circular
"Services"	collectively (i) the Property-related Services; and (ii) the Advisory and Consultancy Services
"Service Charges"	the charges payable by Ms. Chan and/or the Chan Associates for the Services pursuant to the Contract
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Contract and the transactions contemplated thereunder (including the caps)

"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)
"Silvercord Properties"	the properties comprising shops, restaurant and coffee shop on basement, shops on lower ground floor, shops (excluding shop no. 38) on ground floor, shops (excluding shop no. 39) on 1st floor, shops (excluding shop no. 41) on 2nd floor, the whole 3rd floor and car parking spaces nos. 1, 2, 6, 7, 8, 9, 21, 24, 25, 26, 29, 30, 34 and 35 on basement, Silvercord, No. 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong
"Southorn Centre Properties"	the properties comprising: (i) Shop No. 2 and Shop No. 3 on Ground Floor, Southorn Centre, No. 150 Hennessy Road, Hong Kong; (ii) Commercial Accommodation on 1st Floor and 2nd Floor, Southorn Centre, No. 130 Hennessy Road, Hong Kong; and (iii) Staircase facing O'Brien Road (for Exclusive Use to Commercial Accommodation on 1/F & 2/F Southorn Centre), Ground Floor Service Lift Area (for Exclusive Use to Commercial Accommodation on 1/F & 2/F Southorn Centre) and Staircase facing Hennessy Road (for Exclusive Use to Commercial Accommodation on 1/F & 2/F Southorn Centre), No. 130 Hennessy Road, Hong Kong
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sub-DMC"	the sub-sub-deed of mutual covenant and management agreement dated 1 September 1997 made between Perfect World Company Limited (an indirect wholly-owned subsidiary of the Company), Viewide Properties Limited and Sunny Ocean Limited (both of which are among the Chan Associates)
"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
"The ONE Properties"	the property known as "The ONE" situated at No. 100 Nathan Road, Tsimshatsui, Kowloon, Hong Kong

"Windsor House Properties"	the property known as "Windsor House" situated at No. 311 Gloucester Road, Causeway Bay, Hong Kong
"%"	per cent

CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

Executive Directors:
Chan, Hoi-wan *(Chief Executive Officer)*
Chan, Lok-wan

Non-executive Directors:
Lau, Ming-wai *(Chairman)*
Amy Lau, Yuk-wai

Independent Non-executive Directors:
Chan, Kwok-wai
Leung, Yun-fai
Ma, Tsz-chun

Registered office:
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Principal office in Hong Kong:
21st Floor, Chubb Tower
Windsor House
311 Gloucester Road
Causeway Bay
Hong Kong

14 September 2026

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS
CONTRACT FOR SERVICES

A. INTRODUCTION

Reference is made to the Announcement.

CEL, a direct wholly-owned subsidiary of the Company, has been providing (or procuring the provision of), among others, the Existing Services to Ms. Chan and/or the Chan Associates under the Existing Contract for Services. As the Existing Contract for Services will expire on 31 October 2026, CEL and Ms. Chan entered into the Contract on 10 August 2026 to govern the continued provision of the Services to Ms. Chan and/or the Chan Associates after expiry of the Existing Contract for Services subject to the terms and conditions of the Contract. Subject to the Condition, the term of the Contract will commence on 1 November 2026 for three (3) years unless otherwise terminated earlier in accordance with the Contract.

The purpose of this circular is to provide you with, among other things, (i) further information relating to the Contract and the transactions contemplated thereunder (including the caps); (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; and (iv) other information as required under the Listing Rules together with the notice of SGM.

B. THE CONTRACT

Date

10 August 2026

Parties

(a) CEL

(b) Ms. Chan

Term

Subject to the Condition, the term of the Contract will commence on 1 November 2026 for three (3) years unless otherwise terminated earlier as set out under the sub-section headed "Termination" below.

Condition

The Contract is conditional upon the obtaining of the approval by the Independent Shareholders at the SGM in accordance with the Listing Rules.

Scope of Services to be provided by CEL Companies

CEL shall provide (or procure the provision of) the following Services to Ms. Chan and/or the Chan Associates on the terms and conditions of the Contract and the standard terms and conditions of the relevant CEL Companies from time to time in force:

A. The Property-related Services

(i) The Leasing Administration Services

CEL shall act or procure any of the other CEL Companies to act on behalf of Ms. Chan and/or the Chan Associates in respect of all matters relating to leasing of the Properties (including without limitation matters relating to dealing with tenants, rent collection and taking legal actions, but excluding provision of services (a) for any property in respect of which Ms. Chan has from time to time informed CEL that no such services are required and (b) in relation to the referral of potential tenants and the negotiation with existing and/or potential tenants regarding terms of lease of the Properties).

(ii) The Sale Administration Services

CEL shall act or procure any of the other CEL Companies to act on behalf of Ms. Chan and/or the Chan Associates in respect of all matters (if so requested by Ms. Chan and accepted by CEL at the absolute and sole discretion of CEL from time to time) relating to sale of the Properties (including without limitation the appointment of and coordination with estate agents for such sale but excluding any sale agency service).

(iii) The Property Management Services

CEL shall act or procure any of the other CEL Companies to act on behalf of Ms. Chan and/or the Chan Associates in respect of all matters relating to management, maintenance, operation, servicing and repairs of the Properties (excluding any property in respect of which Ms. Chan has from time to time informed CEL that no such services are required).

(iv) The Property Administration Services

CEL shall provide or procure any of the other CEL Companies to provide to Ms. Chan and/or the Chan Associates such other administration services (including without limitation accounting, recruitment, human resources administration works, taxation, marketing and information technology services) for the Properties or any part of them as may be requested by Ms. Chan and accepted by CEL at the absolute and sole discretion of CEL from time to time.

(v) The Asset Management and Maintenance Services

CEL shall provide or procure any of the other CEL Companies to provide to Ms. Chan and/or the Chan Associates with property, household and other management and maintenance services in relation to the Assets as may be requested by Ms. Chan and accepted by CEL at the absolute and sole discretion of CEL from time to time.

B. The Advisory and Consultancy Services

CEL shall provide or procure any of the other CEL Companies to provide to Ms. Chan and/or the Chan Associates with general advisory, consultancy, administration, liaison, personnel support services and such other services (including without limitation accounting, human resources administration works, information technology and taxation services) ancillary and/or incidental thereto as may be requested by Ms. Chan and accepted by CEL at the absolute and sole discretion of CEL from time to time.

Exclusion from the Services

CEL shall have the right to determine at any time in its absolute and sole discretion (a) whether to provide or continue to provide or suspend any services (which would otherwise fall within the scope of the Services) and (b) on what terms, within what scope and to what extent such services will be provided, to the extent that such services are:

(a) services which in the sole opinion of CEL will be unduly burdensome or will otherwise cause significant interruption or inconvenience to the business of the Group; or

(b) services in the sole opinion of CEL as and when the aggregate Service Charges payable by Ms. Chan and/or the Chan Associates exceeds or may exceed the cap(s) for the respective period or financial year as approved by the Independent Shareholders and announced by the Company from time to time.

The Service Charges

In respect of all of the Services (other than the Property Management Services)

Ms. Chan shall pay (or procure payment) to CEL (or any of the other CEL Companies as CEL may direct) charges calculated at such hourly charge-out rates (being cost plus the Margin) as may be specified by CEL from time to time in relation to the time spent by the staff and/or representatives of the CEL Companies in providing such services.

As there were no comparable services offered by the Group to independent third-party customers and the Company could not identify precisely comparable services offered in the market (taking into account the integrated and comprehensive services including (but not limited to) leasing, marketing, accounting, taxation, human resources and information technology aspects) based on published information, the Margin of not less than a rate of 30% is arrived at after arms' length negotiation and determined with reference to the same margin rate as adopted under the Existing Contract for Services.

The reason for adoption of the hourly charge-out rates (inclusive of the Margin) for all the Services (other than the Property Management Services) is that the rendering of such services involves manpower work so that using hourly charge-out rates as the basis would facilitate the calculation of the cost for provision of such services. Such hourly charge-out rates (inclusive of the Margin) are subject to revision or adjustment by CEL in its sole and absolute discretion, including without limitation addition or reduction of staff or representatives of the CEL Companies and adjustment of hourly charge-out rates, from time to time.

Adjustment mechanism

The hourly charge-out rate in respect of all of the Services (other than the Property Management Services) is primarily determined with reference to the underlying staff costs. The Group performs salary reviews by benchmarking the market rate and the scale of hourly rate from time to time at least once a year. Any adjustment to the hourly charge-out rates is primarily attributable to revision or adjustment to the staff costs. Therefore, the Company considers that the adjustment mechanism is fair and reasonable, on normal commercial terms or better to the Group.

In respect of the Property Management Services

(a) For the provision of the Property Management Services in relation to the Southorn Centre Properties, the Silvercord Properties, The ONE Properties, the Windsor House Properties and the Josephine Court Properties, Ms. Chan shall pay (or procure payment) to CEL (or any of the other CEL Companies as CEL may direct) the aggregate of the following charges:

(i) monthly/annual charges calculated at 15% of the total expenses, costs and charges necessarily and reasonably incurred in the management of such properties for the relevant period/year (including without limitation site staff costs, but excluding certain specified costs);

(ii) monthly/annual charges calculated at such hourly charge-out rates (being at cost) as may be specified by CEL from time to time in relation to the time spent by the staff and/or representatives of the CEL Companies (excluding any site staff of such properties) in providing such Property Management Services (such hourly charge-out rates (being at cost) are determined with reference to actual time spent for staff costs of each grade of staff and are subject to revision or adjustment by CEL in its sole and absolute discretion, including without limitation addition or reduction of staff or representatives of the CEL Companies and adjustment of hourly charge-out rates, from time to time); and

(iii) monthly/annual charges calculated at 15% of the total amount of charges provided under (a)(ii) above.

The rate of manager's remuneration of 15% in (a) above is determined based on (i) the same rate as adopted under the Existing Contract for Services; and (ii) the rate of not less than the rates charged for similar services offered by the Group to independent third-party customers at comparable scale (where applicable). Therefore, the Company considers that the above rate is fair and reasonable, on normal commercial terms or better to the Group.

(b) The charges for the provision of the Property Management Services in relation to the Excelsior Properties payable by Ms. Chan (or such persons procured by Ms. Chan) to CEL (or any of the other CEL Companies as CEL may direct) are calculated in the following manner:

(i) the Chan Associates and other independent third parties are owners of the Excelsior Plaza. Under the Sub-DMC, Perfect World Company Limited (an indirect wholly-owned subsidiary of the Company) was appointed as the manager of Excelsior Plaza to provide the Relevant Property Management Services. Pursuant to the Sub-DMC, the total management fee charged by Perfect World Company Limited which includes management expenses and manager's remuneration of Excelsior Plaza shall be shared amongst and paid by the respective owner(s) of the Excelsior Plaza on monthly basis. The relevant amount of management fee payable by the Chan Associates as owners of Excelsior Properties under the Sub-DMC will be deemed to form part of the Service Charges payable by the Chan Associates for the Property Management Services, no additional charge for the Relevant Property Management Services shall be charged against Ms. Chan and/or the Chan Associates as owners of the Excelsior Properties;

(ii) for the Laforet Properties, subject to (b)(i) above, the charges for such services shall be the aggregate of:

(1) monthly/annual charges calculated at 15% of the total expenses, costs and charges necessarily and reasonably incurred in the management of the Laforet Properties for the relevant period/year (including without limitation site staff costs);

(2) monthly/annual charges calculated at such hourly charge-out rates (being at cost) as may be specified by CEL from time to time in relation to the time spent by the staff and/or representatives of the CEL Companies (excluding any site staff of the Laforet Properties) in providing such services (for avoidance of doubt, excluding the Relevant Property Management Services). Such hourly charge-out rates (being at cost) are determined with reference to actual time spent for staff costs of each grade of staff and are subject to revision or adjustment by CEL in its sole and absolute discretion, including without limitation addition or reduction of staff or representatives of the CEL Companies and adjustment of hourly charge-out rates, from time to time; and

(3) monthly/annual charges calculated at 15% of the total amount of charges provided under (b)(ii)(2) above.

(iii) for the Excelsior Street Shops, subject to (b)(i) above, the charges for such services shall be calculated at such hourly charge-out rates (being cost plus the Margin) as may be specified by CEL from time to time in relation to the time spent by the staff and/or representatives of the CEL Companies in providing such services (for avoidance of doubt, excluding the Relevant Property Management Services). Such hourly charge-out rates (inclusive of the Margin) are determined with reference to actual time spent for staff costs of each grade of staff and are subject to revision or adjustment by CEL in its sole and absolute discretion, including without limitation addition or reduction of staff or representatives of the CEL Companies and adjustment of hourly charge-out rates, from time to time.

The rate of manager's remuneration of 15% in (b)(ii) above is determined based on (i) the same rate as adopted under the Existing Contract for Services; and (ii) the rate of not less than the rates charged for similar services offered by the Group to independent third-party customers at comparable scale (where applicable). Therefore, the Company considers that the above rate is fair and reasonable, on normal commercial terms or better to the Group.

(c) In consideration of the provision of the Property Management Services in relation to the Properties other than those mentioned in (a) to (b) above (if any), Ms. Chan shall pay (or procure payment) to CEL (or any of the other CEL Companies as CEL may direct) charges for such Property Management Services and the basis to determine the service charges are in the same manner as set out in any of (a) or (b) (other than the terms of the Sub-DMC as stipulated in (b)(i)) above as agreed between Ms. Chan and CEL, or if otherwise so agreed between Ms. Chan and CEL, in the following manner:

Ms. Chan shall pay (or procure payment) to CEL (or any of the other CEL Companies as CEL may direct) charges calculated at such hourly charge-out rates (being cost plus the Margin) as may be specified by CEL from time to time in relation to the time spent by the staff and/or representatives of the CEL Companies in providing such Property Management Services. Such hourly charge-out rates (inclusive of the Margin) are determined with reference to actual time spent for staff costs of each grade of staff and are subject to revision or adjustment by CEL in its sole and absolute discretion, including without limitation addition or reduction of staff or representatives of the CEL Companies and adjustment of hourly charge-out rates, from time to time.

Adjustment mechanism

The hourly charge-out rate in respect of the Property Management Services in (a)(ii), (b)(ii)(2), (b)(iii) and (c) (where applicable) is primarily determined with reference to the underlying staff costs. The Group performs salary reviews by benchmarking the market rate and the scale of hourly rate from time to time at least once a year. Any adjustment to the hourly charge-out rates is primarily attributable to revision or adjustment to the staff costs. Therefore, the Company considers that the adjustment mechanism is fair and reasonable, on normal commercial terms or better to the Group.

Reimbursement for costs and expenses

In addition to the payment of the Service Charges above, Ms. Chan shall also bear and reimburse (or procure reimbursement to) CEL (or any of the other CEL Companies as CEL may direct) for all costs and expenses incurred by the CEL Companies for the provision of the Services.

Payment terms

The Service Charges (except for the Relevant Property Management Services) are payable in arrears on a monthly basis. The CEL Companies shall provide Ms. Chan and/or the Chan Associate(s) with debit note. Upon receipt of such debit note, each Ms. Chan and/or the Chan Associate(s) shall have a period of 30 days to review the calculation and request for corrections in the event that any error is identified and make payment. For the charges of the Relevant Property Management Services, they are payable in advance on a monthly basis. The Company considers that the payment terms are fair and reasonable and on normal commercial terms or better to the Group.

Termination

If the Condition has not been fulfilled/satisfied on or before 31 October 2026 (inclusive of that day), the Contract shall be automatically terminated.

After the Contract becomes effective upon the fulfilment/satisfaction of the Condition, the Contract 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 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 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.

C. HISTORICAL AMOUNTS AND PROPOSED CAPS

Historical Caps and Historical Transaction Amounts

The historical caps for (i) the Existing Property-related Services; and (ii) the Existing Advisory and Consultancy Services under the Existing Contract for Services, are as follows:

Existing Services	**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$*
Existing Property-related Services	7,600,000	46,900,000	49,100,000	43,000,000
Existing Advisory and Consultancy Services	200,000	1,200,000	1,200,000	1,000,000

The historical transaction amounts for (i) the Existing Property-related Services; and (ii) the Existing Advisory and Consultancy Services under the Existing Contract for Services, are as follows:

Existing Services	**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 30 June 2026**
	HK$	*HK$*	*HK$*	*HK$*
Existing Property-related Services	5,619,633	34,989,915	34,481,943	17,327,937
Existing Advisory and Consultancy Services	7,353	44,588	41,258	23,400

Proposed Caps

Having considered (a) the historical transaction amounts received by the Group for the Existing Services under the Existing Contract for Services; (b) the estimated Service Charges for the Services to be provided under the Contract; and (c) allowing a reasonable buffer for any upward adjustments on the Service Charges charged by the CEL Companies (including due to inflation or otherwise), the Board proposed that the respective Service Charges for (i) the Property-related Services; and (ii) the Advisory and Consultancy Services to be provided under the Contract shall not exceed the following caps for the respective period or financial year below:

Services	**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$*
Property-related Services	7,600,000	45,500,000	47,800,000	41,700,000
Advisory and Consultancy Services	200,000	1,200,000	1,200,000	1,000,000

D. REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACT

As the Existing Contract for Services will expire on 31 October 2026, CEL and Ms. Chan entered into the Contract on 10 August 2026 to govern the continued provision of the Services to Ms. Chan and/or the Chan Associates after expiry of the Existing Contract for Services.

The Contract will ensure the continuity of the provision of the Existing Services under the Existing Contract for Services after the expiry of the term of the Existing Contract for Services. The Contract will continue to generate income to the Group as the Group will continue to receive the Service Charges with a guaranteed rate of mark up for profit for the Services (other than the Relevant Property Management Services) which is favourable to the Group. As regards the Relevant Property Management Services, such services will be provided in the ordinary and usual course of business of the Group on terms no less favourable to the Group than those offered to independent third parties. The terms of the Contract (including the basis of the Service Charges and, where applicable, the guaranteed rate of the Margin) were 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 after taking into account the advice of the Independent Financial Adviser) considered that (i) the terms of the Contract and the caps are fair and reasonable, on normal commercial terms or better to the Group; and (ii) the provision of the Services (other than the provision of household management and maintenance services under the Asset Management and Maintenance Services, the Property Administration Services and the Advisory and Consultancy Services) contemplated under the Contract is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Having considered the reasons and benefits in respect of the provision of household management and maintenance services under the Asset Management and Maintenance Services, the Property Administration Services and the Advisory and Consultancy Services as mentioned above, the Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser) are of the view that, although the provision of such services contemplated under the Contract is not in the ordinary and usual course of business of the Group, the terms of such services are fair and reasonable so far as the Group is concerned and on normal commercial terms or better to the Group, and are in the interests of the Company and the Shareholders as a whole.

E. INTERNAL CONTROL

The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the management and relevant personnel of the Group to ensure the relevant continuing connected transactions are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders as a whole. The Group has adopted the following internal control measures over the continuing connected transactions of the Company under the Contract:

1. The head of each relevant department of the Group will submit a monthly report on the time spent by the relevant staff in that department in providing the Services and the human resources department of the Group will review and calculate the total amount of the time costs of the relevant staff of the Group based on the applicable hourly charge-out rates stipulated in the Contract. The human resources department and the finance & accounts department of the Group will ensure that the Service Charges are charged in accordance with the pricing policies stated in the Contract. Debit note will be issued accordingly with the endorsement of the Group Financial Controller.

2. Entering into and execution of any individual agreements (if any) shall be subject to review and approval by the management of the Group to ensure that they are consistent with the terms and conditions of the Contract, which are determined on normal commercial terms or on terms no less favourable to the Group than those offered to independent third parties. In particular, the pricing policies of the individual agreements (if any) will be the same as the ones as set out in the Contract, so as to ensure that the service charges to be received by the Group under the individual agreements (if any) are fair and reasonable. In case of any inconsistency between any of the terms of the individual agreements (if any) with the Contract, the terms of the Contract shall prevail.

3. The finance & accounts department of the Group is primarily responsible for reviewing and monitoring the continuing connected transactions under the Contract to ensure that the cap is not exceeded. If the amount of the Service Charges payable by Ms. Chan and/or the Chan Associates under the Contract is expected to exceed the cap(s), 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.

4. The independent non-executive Directors and the external auditors of the Company will conduct an annual review on the transactions contemplated under the Contract to confirm that, among others, such transactions are in accordance with the pricing policies stated in the Contract and have been entered into in accordance with the Contract and in accordance with Rule 14A.55 and Rule 14A.56 of the Listing Rules respectively. They will also review the hourly charge-out rates and 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.

5. In case there will be a material change to the terms of the Contract before its expiry or termination, or if the Contract 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.

In view of the foregoing, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the Contract will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

F. INFORMATION OF 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 the Contract. 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).

G. 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 the Contract. Therefore, Ms. Chan is a connected person of the Company and the entering into of the Contract 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 applicable caps for the Service Charges under the Contract is 5% or more, the entering into of the Contract and the transactions contemplated thereunder are subject to the reporting, announcement, circular, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

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

H. THE INDEPENDENT FINANCIAL ADVISER AND THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chan, Kwok-wai, Mr. Leung, Yun-fai and Mr. Ma, Tsz-chun, has been established to consider the Contract and to advise and make recommendations to the Independent Shareholders as to how to vote at the SGM on the resolution in relation to the Contract. No member of the Independent Board Committee has any material interest in the Contract and the transactions contemplated thereunder.

The Company has, with the approval of the Independent Board Committee, appointed Gram Capital as the Independent Financial Adviser in accordance with the requirements under the Listing Rules to advise the Independent Board Committee and the Independent Shareholders on the terms of the Contract and the transactions contemplated thereunder (including the caps).

I. SGM

The SGM will be convened and held at The AIR, L16, The ONE, 100 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 8 October 2026 at 10:00 a.m. for the Independent Shareholders to approve the Contract and the transactions contemplated thereunder (including the caps).

Any Shareholder with a material interest in the Contract and his/her/its associate(s) is/are required to abstain from voting on the resolution approving the Contract and the transactions contemplated thereunder (including the caps) in accordance with the Listing Rules. At the SGM, Ms. Chan, her associate(s) and relative(s) (if they hold any Shares), being interested in an aggregate of 1,521,735,593 Shares, representing approximately 79.77% of the total issued share capital of the Company as at the Latest Practicable Date, will abstain from voting on the resolution to be proposed to approve the Contract and the transactions contemplated thereunder (including the caps) to avoid any actual and potential conflict of interest. Any vote exercised by the Independent Shareholders at the SGM shall be taken by poll. An ordinary resolution will be put to the vote by poll at the SGM pursuant to the Listing Rules. A notice of the SGM is set out on pages SGM-1 to SGM-2 of this circular.

A form of proxy for use at the SGM is also enclosed. If you are not able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

J. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular and the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in connection with the Contract and the transactions contemplated thereunder (including the caps) as well as the principal factors and reasons considered by it in arriving at such advice set out on pages IFA-1 to IFA-12 of this circular.

The Board (including the independent non-executive Directors whose views are set out on pages IBC-1 to IBC-2 of this circular having taken into account the opinion and advice from Gram Capital) considered that (i) the terms of the Contract and the caps are fair and reasonable, on normal commercial terms or better to the Group; and (ii) the provision of the Services (other than the provision of household management and maintenance services under the Asset Management and Maintenance Services, the Property Administration Services and the Advisory and Consultancy Services) contemplated under the Contract is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Having considered the reasons and benefits in respect of the provision of household management and maintenance services under the Asset Management and Maintenance Services, the Property Administration Services and the Advisory and Consultancy Services as mentioned above, the Board (including the independent non-executive Directors whose views are set out on pages IBC-1 to IBC-2 of this circular having taken into account the opinion and advice from the Independent Financial Adviser) is of the view that, although the provision of such services contemplated under the Contract is not in the ordinary and usual course of business of the Group, the terms of such services are fair and reasonable so far as the Group is concerned and on normal commercial terms or better to the Group, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including the independent non-executive Directors) recommends the Independent Shareholders to vote in favour of the resolution approving the Contract and the transactions contemplated thereunder (including the caps) at the SGM.

K. GENERAL

Shareholders and potential investors of the Company should note that the Contract and the transactions contemplated thereunder (including the caps) are subject to the Condition. Therefore, the Contract and the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and, in case of doubt, to seek independent advice from professional or financial advisers.

L. ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

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

The following is a full text of the letter from the Independent Board Committee prepared for the purpose of inclusion in this circular:

CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

14 September 2026

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS
CONTRACT FOR SERVICES

We refer to the circular issued by the Company to its Shareholders dated 14 September 2026 (the "**Circular**") of which this letter forms part. Terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

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 the Contract. Therefore, Ms. Chan is a connected person of the Company and the entering into of the Contract 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 applicable caps for the Service Charges under the Contract is 5% or more, the entering into of the Contract and the transactions contemplated thereunder are subject to the reporting, announcement, circular, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

We have been appointed by the Board to consider the terms of the Services as contemplated under the Contract and to advise the Independent Shareholders in connection therewith and as to whether, in our opinion, the terms of the Services as contemplated under the Contract are fair and reasonable, and whether the Services as contemplated under the Contract are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Gram Capital has been appointed as Independent Financial Adviser to advise us in this respect.

We wish to draw your attention to the letter from the Board and the letter from Gram Capital as set out in the Circular. Having considered the principal factors and reasons considered by, and the opinion and advice from, Gram Capital as set out in its letter of advice, we consider that (i) the terms of the Contract and the caps are fair and reasonable, on normal commercial terms or better to the Group; and (ii) the provision of the Services (other than the provision of household management and maintenance services under the Asset Management and Maintenance Services, the Property Administration Services and the Advisory and Consultancy Services) contemplated under the Contract are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Having considered the reasons and benefits in respect of the provision of household management and maintenance services under the Asset Management and Maintenance Services, the Property Administration Services and the Advisory and Consultancy Services as mentioned in the Circular, we are of the view that, although the provision of such services contemplated under the Contract are not in the ordinary and usual course of business of the Group, the terms of such services are fair and reasonable so far as the Group is concerned and on normal commercial terms or better to the Group, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution approving the Contract and the transactions contemplated thereunder (including the caps) at the SGM.

Yours faithfully,
For and on behalf of
Independent Board Committee

Chan, Kwok-wai **Leung, Yun-fai** **Ma, Tsz-chun**
Independent Non-executive Directors

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Contract for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

14 September 2026

To: The independent board committee and the independent shareholders of Chinese Estates Holdings Limited

Dear Sir/ Madam,

CONTINUING CONNECTED TRANSACTIONS
CONTRACT FOR SERVICES

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Contract and the transactions contemplated thereunder (the "**CCTs**") (including the caps (the "**Cap(s)**")), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 14 September 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As the Existing Contract for Services will expire on 31 October 2026, CEL and Ms. Chan entered into the Contract on 10 August 2026 to govern the continued provision of the Services to Ms. Chan and/or the Chan Associates after expiry of the Existing Contract for Services subject to the terms and conditions of the Contract. Subject to the Condition, the term of the Contract will commence on 1 November 2026 for three (3) years unless otherwise terminated earlier in accordance with the Contract.

With reference to the Board Letter, the CCTs constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Accordingly, the CCTs are subject to the reporting, announcement, circular, Independent Shareholders' approval and annual review requirements under the Listing Rules.

The Independent Board Committee comprising Mr. Chan, Kwok-wai, Mr. Leung, Yun-fai and Mr. Ma, Tsz-chun, being all of the independent non-executive Directors, has been formed to advise the Independent Shareholders on (i) whether the CCTs are on normal commercial terms, in the ordinary and usual course of business of the Group; (ii) whether the terms of the CCTs are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Contract (including the Caps) at the SGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationships or interests between Gram Capital and the Company; or (ii) any services provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Having considered the above and that none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the CCTs. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, CEL, Ms. Chan or their respective subsidiaries or associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the CCTs. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the CCTs, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the CCTs

Information of the Group

With reference to the Board Letter: (i) the Group is principally engaged in property investment and development, building and property management, securities investment and cosmetics distribution and trading; and (ii) 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.

Set out below is a summary of the consolidated financial information of the Group for (i) each of the two years ended 31 December 2024 and 2025 as extracted from the Company's annual report for the year ended 31 December 2025 (the "**2025 Annual Report**"); and (ii) the six months ended 30 June 2026 as extracted from the Company's interim results announcement for the six months ended 30 June 2026 (the "**2026 IR Announcement**"):

	For the six months ended 30 June 2026	**For the year ended 31 December 2025**	**For the year ended 31 December 2024**	**Change from FY2024 to FY2025**
	HK$'000	*HK$'000*	*HK$'000*	*%*
	(unaudited)	*(audited)*	*(audited)*	
Revenue	133,818	301,080	336,812	(10.61)
Gross profit	107,859	258,039	280,226	(7.92)
Loss attributable to owners of the Company	(200,481)	(388,499)	(2,108,331)	(81.57)

As depicted from the above table, the Group's revenue was approximately HK$301 million for the year ended 31 December 2025 ("**FY2025**"), representing a decrease of approximately 10.61% as compared to that for the year ended 31 December 2024 ("**FY2024**"). With reference to the 2025 Annual Report, such decrease was mainly due to decrease in property rental income. Along with the decrease in revenue, the Group's gross profit also decreased by approximately 7.92% from FY2024 to FY2025.

Despite that the Group recorded gross profit of approximately HK$258 million for FY2025, the loss attributable to owners of the Company for FY2025 was approximately HK$388 million as the Group recorded significant administrative expenses, negative fair value changes on investment properties and share of negative results of investments accounted for using the equity method. The loss attributable to owners of the Company for FY2025 decreased by approximately 81.57% as compared to that for FY2024. With reference to the 2025 Annual Report, such decrease was mainly due to significant reduction in negative fair value changes on investment properties, finance costs and other losses.

With reference to the 2026 IR Announcement, during the first half of 2026, the global economy navigated a delicate and complex landscape. The year began under the heavy shadow of geopolitical conflicts and trade fragmentation. The general consensus among major financial institutions, including the International Monetary Fund and the World Bank, indicates that global growth is stabilizing but slowing to a modest pace. Looking ahead to the remainder of 2026, the Group will remain optimistic yet watchful. Despite persistent global uncertainties, the Group embraces its values to safeguard shareholders' returns and believes that its commitment to corporate social responsibility will achieve long-term success.

Information of Ms. Chan

With reference to the Board Letter, 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 the Contract. 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).

Reasons for and benefits of the CCTs

With reference to the Board Letter, the Contract will ensure the continuity of the provision of the Existing Services under the Existing Contract for Services after the expiry of the term of the Existing Contract for Services. The Contract will continue to generate income to the Group as the Group will continue to receive the Service Charges with a guaranteed rate of mark up for profit for the Services (other than the Relevant Property Management Services) which is favourable to the Group. As regards the Relevant Property Management Services, such services will be provided in the ordinary and usual course of business of the Group on terms no less favourable to the Group than those offered to independent third parties. The terms of the Contract (including the basis of the 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.

Having considered that (i) the Contract will generate income to the Group; (ii) the Group will receive the Service Charges with a guaranteed rate of mark up for profit for the Services (other than the Relevant Property Management Services); and (iii) the Relevant Property Management Services will be provided in the ordinary and usual course of business of the Group on terms no less favourable than those offered to independent third parties, we are of the view that:

(i) the provision of the Services (other than the provision of household management and maintenance services under the Asset Management and Maintenance Services, the Property Administration Services and the Advisory and Consultancy Services) contemplated under the Contract are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and

(ii) although the provision of household management and maintenance services under the Asset Management and Maintenance Services, the Property Administration Services and the Advisory and Consultancy Services contemplated under the Contract are not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Contract

Date

10 August 2026

Parties

(a) CEL

(b) Ms. Chan

Term

Subject to the Condition, the term of the Contract will commence on 1 November 2026 for three (3) years unless otherwise terminated earlier.

Scope of Services to be provided by CEL Companies

With reference to the Board Letter, CEL shall provide (or procure the provision of) (1) the Leasing Administration Services; (2) the Sale Administration Services; (3) the Property Management Services; (4) the Property Administration Services; (5) the Asset Management and Maintenance Services; and (6) the Advisory and Consultancy Services to Ms. Chan and/or the Chan Associates on the terms and conditions of the Contract and the standard terms and conditions of the relevant CEL Companies from time to time in force.

Details of the Services to be provided by CEL Companies are set out under the sub-section headed "Scope of Services to be provided by CEL Companies" under the section headed "B. THE CONTRACT" of the Board Letter.

The Service Charges

In respect of all of the Services (other than the Property Management Services)

With reference to the Board Letter, Ms. Chan shall pay (or procure payment) to CEL (or any of the other CEL Companies as CEL may direct) charges calculated at such hourly charge-out rates (being cost plus the Margin) as may be specified by CEL from time to time in relation to the time spent by the staff and/or representatives of the CEL Companies in providing such services.

As there were no comparable services offered by the Group to independent third-party customers and the Company could not identify precisely comparable services offered in the market (taking into account the integrated and comprehensive services including (but not limited to) leasing, marketing, accounting, taxation, human resources and information technology aspects) based on published information, the Margin of not less than a rate of 30% is arrived at after arms' length negotiation and determined with reference to the same margin rate as adopted under the Existing Contract for Services.

The reason for adoption of the hourly charge-out rates (inclusive of the Margin) for all the Services (other than the Property Management Services) is that the rendering of such services involves manpower work so that using hourly charge-out rates as the basis would facilitate the calculation of the cost for provision of such services. Such hourly charge-out rates (inclusive of the Margin) are subject to revision or adjustment by CEL in its sole and absolute discretion, including without limitation addition or reduction of staff or representatives of the CEL Companies and adjustment of hourly charge-out rates, from time to time.

The hourly charge-out rate in respect of all of the Services (other than the Property Management Services) is primarily determined with reference to the underlying staff costs. The Group performs salary reviews by benchmarking the market rate and the scale of hourly rate from time to time at least once a year. Any adjustment to the hourly charge-out rates is primarily attributable to revision or adjustment to the staff costs. We understood from the Company that the hourly charge-out rates reflect actual staff cost per hour of the staff involved (which may be adjusted from time-to-time after any salary review). Accordingly, we consider the potential adjustment to the hourly charge-out rates to be fair and reasonable.

Pursuant to the Contract, CEL shall have the right to determine at any time in its absolute and sole discretion (a) whether to provide or continue to provide or suspend any services (which would otherwise fall within the scope of the Services) and (b) on what terms, within what scope and to what extent such services will be provided, to the extent that such services are: (i) services which in the sole opinion of CEL will be unduly burdensome or will otherwise cause significant interruption or inconvenience to the business of the Group; or (ii) services in the sole opinion of CEL as and when the aggregate Service Charges payable by Ms. Chan and/or the Chan Associates exceeds or may exceed the cap(s) for the respective period or financial year as approved by the Independent Shareholders and announced by the Company from time to time.

In other words, the Group will provide the Services when it has sufficient capacity. Therefore, despite the fact that there is no comparable services offered in the market for comparative analysis on the Margin, we consider that (i) it is reasonable for the Group to utilize its capacity and charge the cost plus the Margin so as to generate more income for the Group; and (ii) this pricing arrangement would not jeopardise the Group's interest.

In respect of the Property Management Services

With reference to the Board Letter, there are three types of pricing for the provision of the Property Management Services in relation to (A) the Southorn Centre Properties, the Silvercord Properties, The ONE Properties, the Windsor House Properties and the Josephine Court Properties; (B) the Excelsior Properties; and (C) the Properties other than those mentioned in (A) and (B) above, respectively. Details of the aforesaid pricing are set out under the sub-section headed "The Service Charges – In respect of the Property Management Services" under the section headed "B. THE CONTRACT" of the Board Letter.

We noticed that the aforesaid pricing is associated with (a) manager's remuneration at a charge rate of 15% (the "**15% Charge Rate**") of the aggregate of (1) the total expenses, costs and charges necessarily and reasonably incurred in the management of such properties for the relevant period/year (including without limitation site staff costs, but excluding certain specified costs); and (2) the total amount of charges calculated at the hourly charge-out rates (being at cost); (b) hourly charge-out rates (being cost plus the Margin (no less than a rate of 30%)); and/or (c) management fee payable under the Sub-DMC.

Upon our enquiry, the Directors advised us that Perfect World Company Limited ("**Perfect World**") which is an indirect wholly-owned subsidiary of the Company and principally engaged in provision of property management services (including provision to Chan Associates and independent third parties), charges manager's remuneration for provision of property management services to independent third parties (existing customers) from 5% to 10%. Accordingly, we consider the 15% Charge Rate to be favourable to the Group.

With reference to the Board Letter, under the Sub-DMC, Perfect World was appointed as the manager of Excelsior Plaza to provide the Relevant Property Management Services. Pursuant to the Sub-DMC, the total management fee charged by Perfect World shall be shared amongst and paid by the respective owner(s) of the Excelsior Plaza (including the Chan Associates and independent third parties) on monthly basis. In order words, the management fee arrangement under the Sub-DMC (the "**Sub-DMC Mgt Fee Arrangement**") is the same among the Chan Associates and independent third parties.

Reimbursement for costs and expenses

In addition to the payment of the Service Charges above, Ms. Chan shall also bear and reimburse (or procure reimbursement to) CEL (or any of the other CEL Companies as CEL may direct) for all costs and expenses incurred by the CEL Companies for the provision of the Services.

For our due diligence purpose, we randomly selected a month in each of FY2024 and FY2025 (two months selected in total) and requested the Company to provide a list of Chan Associates that the Group charged for all Existing Services provided (if any) during the selected month. From each list obtained, we randomly selected a Chan Associate (two Chan Associates selected in total) and requested the Company to provide corresponding billing records (associated with staff cost records) with the selected Chan Associate for the selected month. As the random sampling basis could facilitate an objective assessment and the above sampling scope covered two financial years of the Group and all Existing Services provided (if any), we consider the above sampling to be sufficient from the Independent Financial Adviser's perspective. We noticed from such records that the charges of the Existing Services were complied with the existing pricing basis under the Existing Contract for Services.

With reference to the Board Letter, the Group has adopted internal control measures over the CCTs as set out under the section headed "E. INTERNAL CONTROL" of the Board Letter. We consider the effective implementation of the internal control measures would help to ensure fair pricing of the CCTs in compliance with its pricing policy.

3. The Caps

Set out below are the historical transaction amount and existing caps of the Existing Services provided under the Existing Contract for Services:

	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
Existing Property-related Services				
Historical transaction amount	HK$5,619,633	HK$34,989,915	HK$34,481,943	HK$17,327,937 *(Note)*
Existing caps	HK$7,600,000	HK$46,900,000	HK$49,100,000	HK$43,000,000
Utilisation rate	73.94%	74.61%	70.23%	40.30%
Existing Advisory and Consultancy Services				
Historical transaction amount	HK$7,353	HK$44,588	HK$41,258	HK$23,400 *(Note)*
Existing caps	HK$200,000	HK$1,200,000	HK$1,200,000	HK$1,000,000
Utilisation rate	3.68%	3.72%	3.44%	2.34%

Note: This figure is for the six months ended 30 June 2026.

With reference to the Board Letter, having considered (a) the historical transaction amounts received by the Group for the Existing Services under the Existing Contract for Services; (b) the estimated Service Charges for the Services to be provided under the Contract; and (c) allowing a reasonable buffer for any upward adjustments on the Service Charges charged by the CEL Companies (including due to inflation or otherwise), the Board proposed that the respective Service Charges for (i) the Property-related Services; and (ii) the Advisory and Consultancy Services to be provided under the Contract 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
The Caps of Property-related Services	HK$7,600,000	HK$45,500,000	HK$47,800,000	HK$41,700,000
The Caps of Advisory and Consultancy Services	HK$200,000	HK$1,200,000	HK$1,200,000	HK$1,000,000

For our due diligence purpose, we obtained the calculation of the Caps for the period from 1 November 2026 to 31 October 2029 (the "**Calculation**").

The Calculation was based on:

(i) applying the historical highest monthly service charges for each of the Existing Services under the Existing Contract for Services in the past 32 months (i.e. November 2023 to June 2026 when the Caps were being considered) (the "**Referencing Months**") as the estimated base monthly Service Charges (except for the purpose of (a) the Sale Administration Services, the Asset Management and Maintenance Services and the Advisory and Consultancy Services; and (b) certain Property Management Services (the "**Specific PMSs**"));

(ii) arriving the estimated base monthly Service Charges for the Sale Administration Services, the Asset Management and Maintenance Services and the Advisory and Consultancy Services based on the Company's experience and judgement (given that the Group did not provide any sale administration services and asset management and maintenance services to Ms. Chan and/or the Chan Associates during the Referencing Months and the historical highest monthly service charges of the Existing Advisory and Consultancy Services were considered as insignificant during the Referencing Months);

(iii) arriving the estimated base monthly Service Charges for the Specific PMSs based on budgeting;

(iv) 5% possible increase (the "**5% Possible Increase**") per annum for the financial year ending 31 December 2027, the financial year ending 31 December 2028 and the period from 1 January 2029 to 31 October 2029; and

(v) 10% buffer for unexpected increase in the Service Charges.

Upon our enquiry, the Directors advised us that there is no seasonal factors associated with the provision of the Services. We also checked the historical monthly service charges record as provided by the Company for each of the services under the Existing Contract for Services in the Referencing Months (except for the purpose of (a) the Sale Administration Services and the Asset Management and Maintenance Services; (b) the Advisory and Consultancy Services; and (c) the Specific PMSs).

We noted that:

(1) the historical highest monthly service charges mentioned in factor (i) above are consistent with the historical record;

(2) the estimated base monthly Service Charges for each of the Sale Administration Services, the Asset Management and Maintenance Services, and the Advisory and Consultancy Services is HK$100,000, which is a moderate amount.

Based on the above, we consider factors (i) and (ii) above to be reasonable.

In respect of factor (iii) above, we noted that the estimated base monthly Service Charges for the Specific PMSs based on budgeting were close to their historical monthly service charges for the six months ended 30 June 2026. Accordingly, we consider factor (iii) above to be reasonable.

In respect of factor (iv) above, the Directors advised us that human resources are substantially involved in providing the Services. Accordingly, the Company incorporated the 5% Possible Increase in determining the Caps to cater for possible increase in staff costs. In this regard, we researched over the internet and noted from the statistics published by the Census and Statistics Department of Hong Kong that, the nominal wage indices for employees up to supervisory level in December 2021, December 2022, December 2023, December 2024, December 2025 and March 2026 represented year-on-year increases of approximately 1.83%, 2.59%, 3.77%, 3.56%, 3.43% and 3.42% respectively. Accordingly, we consider the incorporation of 5% Possible Increase to be prudent for estimation of the Caps.

In respect of factor (v) above, we noted from other Hong Kong listed companies' circulars regarding continuing connected transactions that the incorporation of buffer of 10% or less in the proposed annual caps is not uncommon. Therefore, we consider the buffer 10% to be reasonable.

Having considered the above basis for determining the Caps and the Calculation, we are of the view that the Caps for the period from 1 November 2026 to 31 October 2029 are fair and reasonable.

Shareholders should note that as the Caps for the respective period or financial year are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 October 2029, they do not represent forecasts of income to be generated from the CCTs. Consequently, we express no opinion as to how closely the actual income to be generated from the CCTs will correspond with the estimated Caps from 1 November 2026 to 31 October 2029.

Having considered the pricing of the CCTs and the Caps for the period from 1 November 2026 to 31 October 2029 as aforementioned, we are of the view that the terms of the CCTs are on normal commercial terms and are fair and reasonable.

4. Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the CCTs must be restricted by the Caps for the period concerned under the Contract; (ii) the terms of the CCTs must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Contract must be included in the Company's subsequent published annual reports. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the CCTs (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the Contract; and (iv) have exceeded the Caps. In the event that the total amounts of the CCTs exceed the Caps, or that there is any material amendment to the terms of the Contract, as confirmed by the Directors, the Company shall re-comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the CCTs and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the CCTs under the Contract are on normal commercial terms and are fair and reasonable; (ii) the CCTs (other than the provision of household management and maintenance services under the Asset Management and Maintenance Services, the Property Administration Services and the Advisory and Consultancy Services) are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) although the provision of household management and maintenance services under the Asset Management and Maintenance Services, the Property Administration Services and the Advisory and Consultancy Services (as part of the CCTs) are not in the ordinary and usual course of business of the Group, they are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Contract and the CCTs and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (iii) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

Long Positions

(i) The Company

Name of Director	Number of Shares Held	Capacity	Percentage of Issued Share Capital
Ms. Chan	1,430,700,768 *(Note 1)*	Interest in controlled corporation and interest of children under 18	74.99%

Note 1:

These 1,430,700,768 Shares were directly held as to 230,984,820 Shares by Joseph Lau Luen Hung Investments Limited, as to 723,290,948 Shares by Solar Bright Ltd. and as to 476,425,000 Shares by Century Frontier Limited. Each of Joseph Lau Luen Hung Investments Limited and Century Frontier Limited was wholly-owned by Solar Bright Ltd., which was in turn wholly-owned by Sino Omen Holdings Limited. The entire issued share capital of Sino Omen Holdings Limited was held by Ms. Chan as the trustee of her minor children Lau, Chung-hok, Lau, Josephine Sau-wah and Lau, Sau-yee. Therefore, pursuant to Part XV of the SFO, Ms. Chan was deemed to be interested in all these 1,430,700,768 Shares.

(ii) Associated corporations of the Company

Name of Director	Name of Associated Corporations	Number of Shares Held	Capacity	Percentage of Issued Share Capital
Ms. Chan	Sino Omen Holdings Limited	50,000 *(Note 2)*	Interest of children under 18	100%
Ms. Chan	Solar Bright Ltd.	1 *(Note 2)*	Interest in controlled corporation and interest of children under 18	100%

Note 2:

Ms. Chan (as the trustee for her minor children Lau, Chung-hok, Lau, Josephine Sau-wah and Lau, Sau-yee) directly held the entire issued share capital of Sino Omen Holdings Limited. Sino Omen Holdings Limited directly held the entire issued share capital of Solar Bright Ltd. Therefore, Ms. Chan as the trustee for her said minor children was also regarded as interested in the entire issued share capital of Solar Bright Ltd.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, Ms. Chan was a director of each of Sino Omen Holdings Limited, Solar Bright Ltd., Joseph Lau Luen Hung Investments Limited and Century Frontier Limited (all of them were substantial shareholders of the Company within the meaning of Part XV of the SFO). Save as disclosed above, none of the Directors was a director or an employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up to, up to and including the Latest Practicable Date.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors entered or proposed to enter into any service contract with any member of the Group which is not expiring or determinable by the employer within one year without payment of compensation other than statutory compensation.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, Ms. Chan had personal and/or directorship interests in private companies engaged in property investment business, securities investment business and property development business; and Mr. Lau, Ming-wai had personal and/or directorship interests in private companies engaged in property investment business, securities investment business and property management business. As such, they were regarded as being interested in such businesses which competed or might compete with the Group.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

6. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save for the agreements disclosed below, as at the Latest Practicable Date, there was no other contract or arrangement subsisting at the Latest Practicable Date in which any of the Directors was materially interested and which was significant in relation to the business of the Group:

(a) a contract for rental services dated 15 July 2026 entered into between CEL and Ms. Chan in respect of the provision of the rental of motor vehicles, car plates, vessels, car parking spaces, premises and such other rental services for a term of three years commencing from 1 November 2026, where the caps of the service charges for the period from 1 November 2026 to 31 December 2026, for the years 2027 and 2028, and for the period from 1 January 2029 to 31 October 2029, were set at HK$1,500,000, HK$9,100,000, HK$9,500,000 and HK$8,300,000 respectively, as disclosed in the announcement of the Company dated 15 July 2026;

(b) a tenancy agreement dated 23 July 2025 entered into between CEL as tenant and Windsor House Limited (a company indirectly wholly-owned by Ms. Chan as a trustee of her minor children) ("**WHL**") as landlord in relation to the leasing of the whole of 39th floor of Chubb Tower, Windsor House for a term of three years for HK$930,000 per month (excluding service charges and rates), as disclosed in the announcement of the Company dated 23 July 2025;

(c) a tenancy agreement dated 23 July 2025 entered into between CEL as tenant and WHL as landlord in relation to the leasing of the whole of 19th floor, 20th floor and 21st floor of Chubb Tower, Windsor House for a term of three years for HK$1,720,000 per month (excluding service charges and rates) as disclosed in the announcement of the Company dated 23 July 2025; and

(d) a contract for services dated 16 August 2023 entered into between CEL and Ms. Chan in respect of the provision of leasing administration services, sale administration services, property management services, property administration services, asset management and maintenance services, rental services, advisory and consultancy services and other ordinary services for a term of three years commencing from 1 November 2023, where the caps of the service charges for the period from 1 November 2023 to 31 December 2023, for the years 2024 and 2025, and for the period from 1 January 2026 to 31 October 2026, were set at HK$10,300,000, HK$62,900,000, HK$65,800,000 and HK$57,600,000 respectively, as disclosed in the announcement of the Company dated 16 August 2023.

7. DIRECTORS' INTERESTS IN ASSETS

Save for the agreements disclosed in paragraphs (b) and (c) under the paragraph headed "6. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE" in this appendix, as at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which had since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up) up to the Latest Practicable Date, been acquired or disposed of by or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

8. MISCELLANEOUS

(a) The registered office of the Company is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and its principal place of business in Hong Kong is at 21st Floor, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong.

(b) The Company's Branch Registrar and Transfer Office in Hong Kong is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) The company secretary of the Company is Ms. Mak, Kai-yee, who is a Chartered Secretary, a Chartered Governance Professional and a fellow member of both of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

(d) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

9. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given its opinions or advice which are contained in this circular:

Name	Qualification
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the above mentioned expert:

(a) did not have any shareholding, directly or indirectly, in any member of the Group or right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;

(b) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited financial statements of the Group for the year ended 31 December 2025 were made up;

(c) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of and references to its name, letter and/or report in the form and context in which they respectively appear; and

(d) the letter from Gram Capital is prepared for incorporation in this circular.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (https://www.hkexnews.hk) and the Company (https://www.chineseestates.com) for a period of 14 days from the date of this circular:

(a) the Contract;

(b) the letter from the Independent Board Committee containing its advice to the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Board Committee" in this circular;

(c) the letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed "Letter from Gram Capital" in this circular; and

(d) the written consent of Gram Capital as referred to in the paragraph headed "Qualification and Consent of Expert" in this appendix.

CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**Meeting**") of Chinese Estates Holdings Limited (the "**Company**") will be held at The AIR, L16, The ONE, 100 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 8 October 2026 at 10:00 a.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following ordinary resolution:

ORDINARY RESOLUTION

"**THAT** the terms and conditions, and the entering into, of the contract for services dated 10 August 2026 entered into between Chinese Estates, Limited and Ms. Chan, Hoi-wan ("**Ms. Chan**") relating to, among others, certain services to be provided to Ms. Chan and/or the associate(s) and/or relative(s) of Ms. Chan (the "**Contract**") (a copy of the Contract has been produced to the Meeting marked "A" and signed by the chairman of the Meeting for the purpose of identification) and all the transactions contemplated thereunder (including the proposed caps as set out in the circular of the Company dated 14 September 2026) be and are hereby approved, confirmed and/or ratified (as the case may be); and that any one director or (if affixing of seal is required) any two directors of the Company be authorised for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver (including under seal where applicable) and to authorise the signing, executing, perfecting, delivering (including under seal where applicable) of all such documents and deeds, and to do or authorise doing all such acts, matters and things, as he/she may in his/her absolute discretion consider necessary, expedient or desirable to give effect to, implement and/or complete all matters in connection with the transactions contemplated under the Contract and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the Contract, as he/she may in his/her absolute discretion consider to be desirable and in the interest of the Company and all of such acts of director(s) as aforesaid be hereby approved, ratified and confirmed."

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

Hong Kong, 14 September 2026

Registered office:
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Principal office in Hong Kong:
21st Floor, Chubb Tower
Windsor House
311 Gloucester Road
Causeway Bay
Hong Kong

Notes:

1. For the purpose of ascertaining the members' eligibility to attend and vote at the Meeting, the register of members will be closed during the period from 6 October 2026 to 8 October 2026 (both days inclusive). To be eligible to attend and vote at the Meeting, all properly completed share transfers documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch registrar and transfer office in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 5 October 2026 at 4:30 p.m.

2. Any shareholder of the Company (the "**Shareholder(s)**") entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and to vote instead of him. A proxy need not be a Shareholder.

3. To be valid, the form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting (or at any adjournment thereof).

4. Delivery of an instrument appointing a proxy should not preclude a Shareholder from attending and voting in person at the Meeting or at any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. In the case of joint holders of share(s), any one of such joint holders may vote, either in person or by proxy, in respect of such share(s) as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

6. The resolution as set out in this notice will be taken by poll at the Meeting.

7. As at the date hereof, the board of directors of the Company 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.