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

If you have sold or transferred all your Shares, you should at once hand this circular to the purchaser or transferee or to the bank, the 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.

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CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

**MAJOR TRANSACTION
IN RELATION TO
DISPOSAL OF PROPERTY**

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular unless the context requires otherwise. A letter from the Board is set out on pages 4 to 9 of this circular.

The Disposal has been approved by written Shareholders’ approval pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

21 January 2025

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 19 December 2024 in relation to the major transaction regarding the Disposal
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Buyer”	ELLISON SPV 2 LIMITED, a company incorporated under the laws of England and Wales with limited liability
“Company”	Chinese Estates Holdings Limited (Stock Code: 127), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the sale of the Property by the Seller to the Buyer and such other transactions as contemplated under the Sale and Purchase Agreement
“GBP”	British pound sterling, the lawful currency of the United Kingdom
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Incumbrances”	the covenants, restrictions, stipulations and other matters contained or referred to in the Title or other documents referred to in the Sale and Purchase Agreement
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected person(s)

DEFINITIONS

“Latest Practicable Date”	16 January 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. HW Chan”	Ms. Chan, Hoi-wan, an executive Director, the chief executive officer of the Company and a trustee of the substantial shareholders of the Company (who are her minor children) as at the Latest Practicable Date
“Property”	the freehold property registered with title absolute at HM Land Registry under title number LN248459 and known as 11 and 12 St James’s Square and 14 to 17 Ormond Yard, London
“Property Valuer”	LCH (Asia-Pacific) Surveyors Limited, an independent professional valuer
“Purchase Price”	one hundred and sixty-two million pounds (GBP162,000,000) (exclusive of VAT)
“Relevant Shareholders”	collectively, Solar Bright Ltd., Joseph Lau Luen Hung Investments Limited and Century Frontier Limited, which together were beneficially interested in 1,430,700,768 Shares, representing approximately 74.99% of the issued share capital of the Company as at the date of the written shareholders’ approval obtained for the Disposal
“Sale and Purchase Agreement”	the sale and purchase agreement dated 19 December 2024 entered into between the Buyer and the Seller in relation to the Disposal
“Seller”	KNIGHTLIGHTS PROPERTY INTERNATIONAL S.A., a public limited liability company (société anonyme) incorporated in the Grand Duchy of Luxembourg and an indirect wholly-owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Title”	an official copy of the register and title plan to the Property and full copies of any documents noted on the register, other than any mortgage or legal charge
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“U.S.”	United States of America
“VAT”	value added tax imposed pursuant to the Value Added Tax Act 1994 and legislation and regulation supplemented thereto, which is payable by the Buyer pursuant to the terms of the Sale and Purchase Agreement
“%”	per cent

For the purpose of this circular, amounts denominated in GBP have been translated into HK\$ at the rate of GBP1.00 to HK\$9.8199 for illustration purpose only. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

LETTER FROM THE BOARD



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

21 January 2025

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY

INTRODUCTION

References are made to the Announcement in relation to the Disposal.

On 19 December 2024 (after trading hours), the Seller (an indirect wholly-owned subsidiary of the Company) and the Buyer entered into the Sale and Purchase Agreement, pursuant to which the Seller agreed to sell, and the Buyer agreed to purchase, the Property at a consideration of GBP162,000,000 (equivalent to approximately HK\$1,590.8 million) (exclusive of VAT) according to the terms and conditions set out therein.

The purpose of this circular is to provide you further details of the Disposal and the transactions contemplated thereunder and the property valuation report of the Property.

LETTER FROM THE BOARD

THE DISPOSAL AND THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

- Date : 19 December 2024 (after trading hours)
- Parties : (1) the Seller, an indirect wholly-owned subsidiary of the Company; and
(2) the Buyer, an Independent Third Party.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of the Sale and Purchase Agreement, the Buyer and its ultimate beneficial owner(s) were Independent Third Parties.

Assets to be disposed

Pursuant to the Sale and Purchase Agreement, the Seller has agreed to sell, and the Buyer has agreed to acquire, the Property with full title guarantee with modifications as set out in the Sale and Purchase Agreement and subject to Incumbrances (if applicable).

Consideration

The Seller shall sell and the Buyer shall buy the Property at the Purchase Price.

The Purchase Price was determined after arm's length negotiations between the Buyer and the Seller on normal commercial terms, with reference to the appraised value of the Property by adopting the market approach in its existing state at GBP162.0 million (equivalent to approximately HK\$1,590.8 million) as of 16 December 2024. The appraisal was conducted by an independent professional valuer engaged by the Group. Details of such property valuation and the text of the valuation report prepared by the independent professional valuer are set out in Appendix II to this circular.

The Directors consider that the basis of the consideration for the Disposal is fair and reasonable.

Completion

Completion has taken place on the date of signing of the Sale and Purchase Agreement.

At Completion, the Buyer has fully settled the Purchase Price in cash.

INFORMATION ON THE GROUP AND THE PARTIES

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

The Seller, an indirect wholly-owned subsidiary of the Company, is a public limited liability company (société anonyme) incorporated in the Grand Duchy of Luxembourg. The Seller was principally engaged in property investment with its material asset being the Property immediately before the Disposal.

LETTER FROM THE BOARD

As at the date of the Sale and Purchase Agreement, the Buyer was a company incorporated under the laws of England and Wales with limited liability and was principally engaged in the business of property holding.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of the Sale and Purchase Agreement:

- (a) the Buyer was ultimately wholly-owned by a revocable trust named The Lawrence J. Ellison Revocable Trust u/a/d 01/22/1988 set up in California, U.S. (the "**Trust**");
- (b) Mr. Lawrence J. Ellison ("**Mr. Ellison**"), a U.S. citizen, was the sole beneficiary, trustor and a co-trustee of the Trust. Mr. Paul T. Marinelli ("**Mr. Marinelli**"), a U.S. citizen, was the other co-trustee of the Trust; and
- (c) all of the Buyer, the Trust, Mr. Ellison and Mr. Marinelli were Independent Third Parties.

INFORMATION ON THE PROPERTY

The Property is a mixed use building, comprises mainly a grade A office building with a total net internal area of 82,024 square feet arranged over lower ground, ground and six upper floors, and is located in 11 and 12 St James's Square and 14 to 17 Ormond Yard, London, United Kingdom which is situated on a freehold land.

The rental income and the net profits attributable to the Property for the two financial years ended 31 December 2022 and 31 December 2023 were as follows:

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2023	
	<i>Approximately GBP million</i>	<i>Equivalent to approximately HK\$ million</i>	<i>Approximately GBP million</i>	<i>Equivalent to approximately HK\$ million</i>
Rental income	6.3	62.1	2.7	26.9
Net profits (excluding fair value changes on the Property)				
– before taxation	6.4	62.7	2.7	26.2
– after taxation	4.8	47.0	2.0	19.7

The drop in rental income for the financial year ended 31 December 2023 was primarily due to certain tenants vacating prior to the commencement of upgrading works on part of the Property in October 2023.

LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE DISPOSAL

No gain or loss before transaction costs is expected from the Disposal which is calculated based on the difference between the Purchase Price and the unaudited carrying value of the Property as at the date of Completion (after accounted for the appraised value as at 16 December 2024). Due to market conditions, loss of fair value change on the Property of approximately HK\$104.0 million is expected for the year ended 31 December 2024, which is calculated based on the appraised value as at 16 December 2024 at GBP162.0 million (equivalent to approximately HK\$1,590.8 million) less (i) audited carrying value of the Property as at 31 December 2023 at GBP163.2 million (equivalent to approximately HK\$1,602.6 million) and (ii) additions relating to upgrading works done to the Property during the period from 1 January 2024 to the date of Completion of approximately GBP9.4 million (equivalent to approximately HK\$92.2 million). The upgrading works are aimed at maintaining the marketability of the Property in line with current market expectations for grade A office usage. Despite the upgrading works done, the valuation of the Property as at 16 December 2024 was lower than the valuation amount as at 31 December 2023 due to adverse market condition in 2024, as well as the fact that the Property was vacant at the time of Disposal (while it was partially leased on 31 December 2023).

Upon Completion, the Group will no longer earn rental income from the Property, and this will lead to rental income of the Group to drop slightly, while the level of borrowings of the Group will be reduced resulting in a lower finance costs to be incurred by the Group and a lower gearing level of the Group.

It is expected that the total assets and total liabilities of the Group will decrease by approximately HK\$883.3 million and approximately HK\$769.3 million respectively, after Completion. The decrease in total assets of approximately HK\$883.3 million represents the deconsolidation of the carrying value of the Property of approximately HK\$1,694.8 million less the remaining proceeds of the Disposal (after repayment of existing bank borrowing owed by the Seller) of approximately HK\$811.5 million.

The abovementioned financial effects are shown for illustrative purpose only and the actual gain or loss eventually to be recognised by the Group is subject to review by the auditors of the Company upon finalisation of the consolidated financial statements of the Group.

INTENDED USE OF PROCEEDS

At Completion, the Group received net sale proceeds of the Disposal of approximately HK\$1,580.8 million, of which approximately HK\$769.3 million was applied to repay the existing bank borrowing owed by the Seller to release the charge over the Property to facilitate the Disposal. The Group intends that the remaining proceeds of approximately HK\$811.5 million be kept as cash reserve, which may be used for any future investment should any suitable opportunity arises and, subject to bank borrowing rate from time to time, for repayment of other bank borrowings of the Group to further reduce its finance costs if and when so desirable (although the current gearing level of the Group is not high). Meanwhile, the said cash reserve has been placed with financial institutions with interest income for return enhancement.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE DISPOSAL

As the Group is principally engaged in, among others, property investment and development, the Disposal was conducted in the ordinary and usual course of business of the Group and in line with its strategy to make good use of and manage its resources to better develop its property portfolio. The Disposal allows the Group to re-allocate the proceeds for other investment opportunities when they arise and adjust, if needed, the overall strategy on its investment portfolio when the market conditions warrant.

In light of the foregoing, the Directors consider that the terms of the Sale and Purchase Agreement, which are determined after arm's length negotiations between the parties, are on normal commercial terms and are fair and reasonable, and the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder 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.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceed(s) 25% but is or are less than 75%, the Disposal therefore constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Disposal.

On the date of signing of the Sale and Purchase Agreement, the Company has obtained a written approval for the Disposal from each of the Relevant Shareholders, namely Solar Bright Ltd., Joseph Lau Luen Hung Investments Limited and Century Frontier Limited (each beneficially interested in 723,290,948 Shares, 230,984,820 Shares and 476,425,000 Shares respectively and is directly or indirectly wholly-owned by Sino Omen Holdings Limited), being a closely allied group of Shareholders which together are beneficially interested in 1,430,700,768 Shares, representing approximately 74.99% of the issued share capital of the Company as at the date of the written shareholders' approval, carrying rights to vote at a general meeting of the Company. As the above written shareholders' approval can be accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules, no general meeting will be held by the Company to approve the Disposal.

RECOMMENDATION

The Directors are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole and the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group. If the Company were to convene a general meeting for the approval of the Disposal, the Board would have recommended the Shareholders to vote in favour of the resolution to approve the Disposal at such general meeting.

LETTER FROM THE BOARD

The above statement is for the Shareholders' reference only given that the Company had already obtained the written approval from the Relevant Shareholders for the Disposal and hence, pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened for the purpose of approving the Disposal.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 are disclosed in the following documents which are published on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the website of the Company (<https://www.chineseestates.com>):

- (a) annual report of the Company for the year ended 31 December 2021 published on 26 April 2022 (pages 119-281);
- (b) annual report of the Company for the year ended 31 December 2022 published on 26 April 2023 (pages 109-265);
- (c) annual report of the Company for the year ended 31 December 2023 published on 29 April 2024 (pages 115-272); and
- (d) interim report of the Company for the six months ended 30 June 2024 published on 24 September 2024 (pages 3-46).

2. INDEBTEDNESS

Borrowings

As at the close of business on 31 December 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings as follows:

	31 December 2024 <i>HK\$'000</i>
Bank loans (secured and guaranteed)	2,198,986
Other loan (secured and guaranteed)	729,472
Amounts due to associates (unsecured and guaranteed)	11,559
Amounts due to investee companies (unsecured and unguaranteed)	13,885
Amounts due to non-controlling shareholders (unsecured and unguaranteed)	<u>275</u>
	<u><u>2,954,177</u></u>

The bank loans and other loan were secured by the Group's investment properties, bonds, listed equity investments, pledged deposits and interests in certain subsidiaries of the Company.

Lease liabilities

The Group recognised right-of-use assets and corresponding lease liabilities in respect of all leases unless they qualify for low-value or short-term leases. The lease liabilities represent obligation to make lease payment for right of using underlying assets. As at 31 December 2024, the Group had lease liabilities of approximately HK\$39 million which were secured by rental deposits and unguaranteed.

Guarantees

As at 31 December 2024, the Group provided financial guarantees and indemnity, details are shown as follows:

	31 December 2024 <i>HK\$'000</i>
Guarantee given to a bank in respect of banking facilities in lieu of the cash public utility deposit jointly utilised by subsidiaries	15,000
Guarantees given to banks in respect of banking facilities utilised by investee companies/indemnity given to a third party in relation to an investee company	<u>827,830</u>
	<u><u>842,830</u></u>

Save as aforesaid and apart from normal trade payables in the ordinary course of the business of the Group, as at the close of business on 31 December 2024, the Group did not have any (i) debt securities of the Group issued and outstanding, and authorised or otherwise created but unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) and unsecured; (ii) other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowings and debt; (iii) any outstanding mortgages and charges; or (iv) any material contingent liabilities or guarantees.

3. MATERIAL ADVERSE CHANGE

The Directors confirm that they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Group were made up to, up to and including the Latest Practicable Date, save as disclosed in the interim report of the Company for the six months ended 30 June 2024 published on 24 September 2024. The Group recorded a decline in revenue and turnaround from profit to loss for the six months ended 30 June 2024 as compared with those for the six months ended 30 June 2023. This was primarily due to decrease in gain on sales of investments held-for-trading on a net basis and turnaround of fair value changes of investment properties from gain to loss.

4. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the Group's internal resources, cash flow from operations, the present facilities available and also the effect of the Disposal, the Group will have sufficient working capital to satisfy its present requirements, that is, for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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

As we reach the beginning of 2025, the global economic landscape exhibits signs of recovery and steady improvement. Despite current challenges such as the elevated interest rates, geopolitical tensions, and the growing impact of climate change, there is resilience underpinning the economy's trajectory.

Domestically, the Group has observed a promising increase in economic activity, which has been supported by various government policies. This improvement is partly attributed to a series of high-profile mega-events organized by the Government. These events have significantly boosted public engagement, resulting in a surge in consumption, investment in real estate, and ultimately, benefiting the Group's business. The public sector's commitment to hosting global attractions is expected to further amplify consumption and investments and invigorate key sectors such as retail and food service, directly enhancing the profitability of our retail investment properties.

Given the change in leadership, uncertainty surrounding new measures from the United Kingdom Government poses concerns for its economic landscape, which has, in turn, created compelling reasons for us to adopt a more asset-light approach in the near future. Despite this, the Group will continue to monitor the surrounding challenges and capture investment opportunities at opportune times.

Looking to the future, the persistence of geopolitical tension and climate change risks is indeed expected to influence the global stage in the short to medium term. Nevertheless, with a trend toward decreasing interest rates initiated by the U.S., we remain optimistic about the resultant positive stimulus on business and investment activities. It is anticipated that such dynamics may induce variability across differing property sectors and segments. The Group steadfastly maintains its prudence in business planning and operational execution, ensuring that stakeholders' values are both protected and enhanced. In parallel, we remain committed to integrating corporate social responsibilities into our business strategy, underpinning our long-term vision for sustainable success.

Save as otherwise disclosed in the announcements, circulars, annual reports and interim reports of the Company, the Company is not aware of any material changes to the financial and trading prospects of the Group.

The following is the valuation report comprises of the text section and property particulars with the value section prepared for the purpose of incorporation in this circular received from LCH (Asia-Pacific) Surveyors Limited, an independent professional valuer, in connection with its valuation as at 16 December 2024 of the property interests held by the Group.



The readers are reminded that the report which follows has been prepared in accordance with the reporting guidelines set by the International Valuation Standards (the “IVS”) published by the International Valuation Standards Council. The IVS entitles the valuer to make assumptions which may on further investigation, for instance by the readers’ legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. This report is prepared and signed off in English format; translation of this report in a language other than English should not be regarded as a substitute to this report. Piecemeal reference to this report is considered to be inappropriate, and no responsibility is assumed on our part for such piecemeal reference. It is emphasized that the findings and conclusions presented below are based on the documents and facts known to the valuer at the Latest Practicable Date of this document. If additional documents and facts are made available, we reserve the right to amend this report and its conclusions.

21 January 2025

The Board of Directors

Chinese Estates Holdings Limited

21st Floor, Chubb Tower, Windsor House

311 Gloucester Road

Causeway Bay

Hong Kong

Dear Sirs,

In accordance with the instructions given by the present management of Chinese Estates Holdings Limited (hereinafter referred to as the “**Instructing Party**”) to us to conduct an agreed-upon procedure valuation of a designated real property in this report (hereinafter referred to as the “**Property**”) in which Chinese Estates Holdings Limited (hereinafter referred to as the “**Company**”) and its subsidiaries (collectively, hereinafter together with the Company referred to as the “**Group**”) have interests in London of the United Kingdom (the “**UK**”), we confirm that we have inspected, made relevant enquiries and obtain such further information as we consider necessary to support our conclusion of value of the Property as at 16 December 2024 (hereinafter referred to as the “**Valuation Date**”) for the Instructing Party’s internal management reference purpose. We are given to understand that this valuation report to this document (the “**Circular**”) is also for the Company’s shareholders’ reference purpose. This valuation report comprises the text section and property particulars with the value section.

We understand that the Instructing Party will incorporate our work as part of its financial statements, and we have not been engaged to make specific sale or purchase recommendations or to give opinions on financing arrangement. We further understand that the use of our work product will not supplant other due diligence, which the Instructing Party should conduct, in reaching its business decisions regarding the Property. Our work is designed solely to provide an independent valuation that will give the Instructing Party a reference in its due diligence process, and our work should not be the only factor to be referenced by the Instructing Party. We do not accept any responsibility for the consequence of any binding decision that may be made on the basis of this valuation.

VALUATION OF THE PROPERTY UNDER MARKET VALUE BASIS

Basis of Value and Assumptions

According to the IVS, there are two valuation bases in valuing property, namely, market value basis and valuation bases other than market value. In this engagement, we have provided our opinion of the value of the Property on a market value basis.

The term “Market Value” is defined by the IVS as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Unless otherwise stated, our valuation of the Property has been made on the assumptions that, as at the Valuation Date,

1. the legally interested party in the Property has free and uninterrupted rights to assign its relevant property interest for the whole of the unexpired terms as granted, and any premiums payable have already been fully paid; and
2. the legally interested party in the Property sells its relevant property interest in the market in its existing state as a unique interest without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which could serve to increase the value of the property interest.

Should any of the above not be the case, it will have adverse impact to the value as reported.

Approach to Value

There are three generally accepted approaches to value in arriving at the market value of a property on an absolute title basis, namely, the Market Approach, the Cost Approach and the Income Approach.

In valuing the Property, we have adopted the Market Approach. The Market Approach considers the sales, listing or offerings of similar or substitute properties and related market data to establish a value estimate by processes involving comparison. The underlying assumption of this approach is that an investor will pay no more for a property than he or she would have to pay for a similar property of comparable utility.

Unless otherwise stated, we have not carried out a valuation on a possible alternative development basis and the study of possible alternative development options, and the related economics do not come within the scope of our work.

MATTERS THAT MIGHT AFFECT THE VALUE REPORTED

For the sake of valuation, we have adopted the areas as appeared in the copies of the documents as provided to us or obtained from the relevant authorities or from public domains, and no further verification work has been conducted. Should it be established subsequently that the adopted areas were not the latest approved, we reserve the right to revise our report and the valuation accordingly.

Unless otherwise stated, no allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor any expenses or taxation which may be incurred in affecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions, and outgoings of an onerous nature which could affect its value.

Unless otherwise stated, we have assumed that the Property is able to be sold and purchased in the market without any legal impediment (especially from the regulators). Should this not be the case, it will affect the reported value significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

Unless otherwise stated, as at the Latest Practicable Date of this Circular, we are unable to identify any adverse news against the Property which may affect the reported findings or value of our work product. Thus, we are not in a position to report and comment on its impact (if any) on the Property. However, should it be established subsequently that such news did exist at the Valuation Date, we reserve the right to adjust the findings or value reported herein.

ESTABLISHMENT OF TITLES

Due to the purpose of this engagement, the Instructing Party or the appointed personnel of the Group provided us with the necessary documents to support that the legally interested party in the Property has free and uninterrupted rights to assign, transfer, mortgage, let or use the Property at its existing use (in this instance, an absolute title), for the whole of the unexpired terms as granted, free of all encumbrances or any premiums payable have already been paid in full or outstanding procedures have been completed, and that the Group has the rights to occupy or to use the Property. Our agreed procedures to value, as agreed with the Instructing Party, did not require us to conduct legal due diligence on the legality and formality on the way that the legally interested party obtained the Property from the relevant authorities. We agreed with the Instructing Party that this should be the responsibility of the legal adviser to the Instructing Party. Thus, no responsibility or liability is assumed on our part for the origin and continuity of the titles to the Property.

In the course of the valuation, we have been provided with the title documents by the Instructing Party. We have also caused searches in the HM Land Registry. However, we have not inspected the original documents to verify ownership or to verify any amendment which may not appear on the copies available to us. We are not legal professionals and are not qualified to ascertain the titles, and to report any encumbrances that may be registered against the Property. All documents disclosed (if any) are for reference only, and no responsibility is assumed for any legal matters concerning the legal titles and the rights (if any) to the Property. Any responsibility for our misinterpretation of the documents cannot be accepted. No responsibility or liability is assumed.

In our report, we have assumed that the legally interested party in the Property has obtained all the approvals and/or endorsements from the relevant authorities, and that there would have no legal impediment (especially from the regulators) for the legally interested parties to continue their titles in the Property. Should this not be the case, it will affect our findings and conclusions in this report significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability on our part is assumed.

INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY

The inspection was conducted by Dr. Li Ling Hin, a professional member of the Royal Institution of Chartered Surveyors, on 16 December 2024, in respect of which we have been provided with such information as we have requested for the purpose of our valuation. We inspected the Property in the company of the appointed personnel of the Company. As advised, the staff possesses the ability to accompany us to conduct an inspection. We have inspected the exterior, and where possible, the interior of the Property in respect of which we have been provided with such information as we have requested for the purpose of our valuation. However, we have not inspected those parts of the Property which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition. We have only relied on the documents provided by the Instructing Party in respect of which we have been provided with such information as we have requested for the purpose of our valuation. We cannot express an opinion about or advise upon the condition of uninspected parts and the attached property particulars should not be taken as making any implied representation or statement about such parts. No building survey, structural survey, investigation or examination has been made. We are not able to report that the Property is free from rot, infestation or any other structural defects. No tests were carried out on the services (if any), and we are unable to identify those services either covered, unexposed or inaccessible.

We have not carried out on-site measurements to verify the correctness of the areas of the Property, but we have assumed that the areas shown on the documents and handed to us are correct. All dimensions, measurements and areas are approximations.

Our engagement and the agreed procedures to value the Property did not include an independent land survey to verify the legal boundaries of the Property. We need to state that we are not in the land survey profession, therefore, we are not in the position to verify or ascertain the correctness of the legal boundaries of the Property that appeared on the documents handed to us. No responsibility on our part is assumed. The Instructing Party or interested party in the Property should conduct their own legal boundaries due diligence work.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the Property, or has since been incorporated, and we are therefore unable to report that the Property is free from risk in this respect, and therefore we have not considered such factor in our valuation.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the Property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the Property. We have not carried out any investigation into past or present uses, either of the Property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the Property from these uses or sites, and have therefore assumed that none exists. However, should it be established subsequently that contamination, seepage or pollution exists at the Property or any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the value now reported.

SOURCES OF INFORMATION AND ITS VERIFICATION

In the course of our work, we have been provided with copies of the documents regarding the Property, and these copies have been referenced without further verifying with the relevant bodies and/or authorities. Our procedures to value did not require us to conduct any searches or inspect the original documents to verify the ownership or to verify any amendment which may not appear on the copies handed to us. We need to state that we are not legal professionals; therefore, we are not in a position to advise and comment on the legality and effectiveness of the documents provided by the Instructing Party or the appointed personnel of the Company.

We have relied solely on the information provided by the Instructing Party or the appointed personnel of the Company without further verification and have fully accepted advice given to us on such matters as planning approvals or statutory notices, locations, titles, easements, tenure, occupation, lettings, rental, site and floor areas and all other relevant matters.

For the purpose of this valuation, we have relied upon the information provided, and have assumed all information to be accurate and no material changes since the date provided. Should this not be the case, we reserve the right to amend our opinions accordingly.

Our valuation has been made only based on the advice and information made available to us. While a limited scope of general inquiries had been made to the local property market practitioners, we are not in a position to verify and ascertain the correctness of the advice given by the relevant personnel. No responsibility or liability is assumed.

Information furnished by others, upon which all or portions of our work product are based, is believed to be reliable but has not been verified in all cases. Our procedures to value or work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our report.

When we adopted the work products from other professions, external data providers and the Instructing Party in our valuation, the assumptions and caveats adopted by them in arriving at their figures also applied in our valuation. The procedures we have performed do not provide all the evidence that would be required in an audit, and accordingly, as we have not performed an audit, we do not express an audit opinion.

We are unable to accept any responsibility for the information that has not been supplied to us by the Instructing Party or the appointed personnel of the Company. Also, we have sought and received confirmation from the Instructing Party or the appointed personnel of the Company that no material factors have been omitted from the information supplied. Our analysis and valuation are based upon full disclosure between us and the Instructing Party of material and latent facts that may affect our work.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Instructing Party or the appointed personnel of the Company. We consider that we have been provided with sufficient information to reach an informed view, and have had no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary amounts are in British Pounds (“£”).

OPINION OF VALUE

Based on the above information and assumptions, we are of the opinion that the Market Value of the Property at its existing state as at the Valuation Date, and assuming free of all encumbrances, was in the order of **BRITISH POUNDS ONE HUNDRED AND SIXTY-TWO MILLION ONLY (£162,000,000)**.

LIMITING CONDITIONS

Our findings and conclusion of the value of the Property in this report are valid only for the stated purpose and only for the Valuation Date, and for the sole use of the Instructing Party and the Company. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this report, and we accept no responsibility whatsoever to any other person.

Our valuation has been made on the assumption that no unauthorised alteration, extension or addition has been made in the Property, and that the inspection and the use of this report do not purport to be a building survey of the Property. We have also assumed that the Property is free of rot and inherent danger or unsuitable materials and techniques.

No responsibility is taken for changes in market conditions and local government policy, and no obligation is assumed to revise this report to reflect events or conditions, which occur or make known to us subsequent to the date hereof. Neither the whole nor any part of this report or any reference made hereto may be included in any published documents, circular or statement, or published in any way, without our written approval of the form and context in which it may appear. Nonetheless, we consent to the publication of this report in this Circular to the Company’s shareholders’ reference.

Our liability for loss or damage shall be limited to such sum as we ought reasonably to pay having regard to our responsibility for the same on the basis that all other consultants and specialists, where appointed, shall be deemed to have provided to the Instructing Party contractual undertakings in respect of their services, and shall be deemed to have paid to the Instructing Party such contribution as may be appropriate having regard to the extent of their responsibility for such loss or damage.

Our liability for any loss or damage arising out of the action or proceedings aforesaid shall, notwithstanding the preceding provisions, in any event be limited to a sum not exceeding the charges paid to us for the portion of services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, loss of profits, opportunity cost, so on and so forth), even if it has been advised of their possible existence. For the avoidance of doubt, our liability shall never exceed the lower of the sum calculated in accordance with the preceding provisions and the sum provided for in this clause.

It is agreed that the Instructing Party and the Company are required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our engagement except to the extent that any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence, misconduct, willful default or fraud of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

STATEMENTS

Our report is prepared in line with the reporting requirements contained in Chapter 5 of the Listing Rules as well as the reporting guidelines contained in the IVS. The valuation has been undertaken by valuer (see End Note), acting as an external valuer, for the purpose of the valuation.

We retain a copy of this report together with the data provided by the Instructing Party for this assignment, and these data and documents will be kept for a period of 6 years from the date of this report and to be destroyed thereafter. We consider these records confidential, and we do not permit access to them by anyone, with the exception of law enforcement authorities or court order, without the Instructing Party's authorisation and prior arrangement made with us. Moreover, we will add the Company's information into our client list for our reference.

The valuation of the Property depends solely on the assumptions made in this report, and not all of which can be easily quantified or ascertained exactly. Should some or all of the assumptions prove to be inaccurate at a later date, it will affect the reported value significantly.

We hereby certify that the fee for this service is not contingent upon our conclusion of value and we have no significant interest in the Property, the Group or the value reported.

Yours faithfully,
For and on behalf of
LCH (Asia-Pacific) Surveyors Limited

Elsa Ng Hung Mui
B.Sc. M.Sc. R.P.S. (GP) WAVO WRV
Executive Director

J. Junior Ho
B.Sc. M.Sc. R.P.S. (GP)(PD) WAVO WRV
Executive Director

Notes:

Sr Elsa Ng Hung Mui has been conducting valuation of real properties in Hong Kong, Macau, Taiwan, mainland China, the United Kingdom, France, Thailand, Vietnam, Singapore, Malaysia, Madagascar, Guyana, Samoa and Guam since 1994. She is a Fellow Member of The Hong Kong Institute of Surveyors. She is a World Association of Valuation Organisations World Recognized Valuer.

Sr J. Junior Ho has been conducting valuation of real properties in Hong Kong, Macau, Taiwan, mainland China, the United Kingdom, France, Canada, Argentina, Vietnam, Singapore, Samoa and Guyana since 2010. He is a Fellow Member of The Hong Kong Institute of Surveyors. He is a World Association of Valuation Organisations World Recognized Valuer.

PROPERTY PARTICULARS WITH THE VALUE

Property held for sale by the Group in London of the United Kingdom and valued on a market value basis

Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state attributable to the Group as at 16 December 2024
11 and 12 St James's Square and 14 to 17 Ormond Yard, London, SW1Y 4LB, United Kingdom	The Property comprises a Grade II listed building and a Grade II* listed building which combines together to provide Grade A office accommodation over basement, ground floor, the 1st to 6th Floors, erecting on a site of approximately 0.21 hectares.	As at the Valuation Date, the Property was vacant. (See Note 5 below)	£162,000,000 (100 per cent. interest)

The Property is situated at the north of St James's Square. It is located in Mayfair St James, a central district in The City of Westminster in London. It lies within London's West End which is mainly for business, commerce, retailing and living.

The Property was refurbished in 2007. It is located within the St. James Conservation Area. According to the information made available to us, the Property currently has a total net internal area of 82,024 square feet ("sq.ft.") (7,620.1 square meters ("sq.m.")). As advised, the net internal area is measured according to the RICS Code of Measuring Practice (6th Edition).

Floor area breakdowns are listed as follows:

Floor	Net Internal Area	
	sq.m.	sq.ft.
Basement		
– Building Management		
Accommodation	24.5	264
– Storage	80.5	866
– Office	638.5	6,874
Ground Floor		
– Atrium Base	82.2	885
– Reception	73.8	794
– Storage	21.2	228
– Office	1,000.8	10,772
1st Floor	815.2	8,775
2nd Floor	1,083.7	11,665
3rd Floor	989.0	10,645
4th Floor	1,101.5	11,857
5th Floor	1,045.3	11,253
6th Floor	663.9	7,146
Total:	<u>7,620.1</u>	<u>82,024</u>

The Property is registered under title number LN248459 which is a freehold estate.

(See Note 5 below)

Notes:

1. The Property is held freehold under title number LN248459. The registered owner of the Property is Knightlights Property International S.A. (incorporated in the Grand Duchy of Luxembourg), an indirect wholly-owned subsidiary of the Company.
2. The Property is subject to Registered Charges dated 13 June 2017 and 3 November 2022 in favour of Oversea-Chinese Banking Corporation Limited (incorporated in Singapore) of The Rex Building, 62 Queen Street, London, EC4R 1EB.
3. The Property is located within the St James's Conservation Area, and 11 St James's Square is a Grade II* listed building and 12 St James's Square is Grade II listed building. Grade II buildings are of special interest, warranting every effort to preserve them; while Grade II* buildings are particularly important buildings of more than special interest.
4. In valuing the Property, we adopted the Market Approach by referencing the sales transaction of comparable office buildings in the vicinity. The selection criteria include property type and use, building quality, location and environment and time. We selected the following transactions which are for office use, with similar building quality and located in West End and South West of London, and are transacted within a reasonable period. We considered that the comparables are fair and representative under the selection criteria mentioned above. The sales transactions are:

Address	Area (sq.ft.) (About)	Consideration (£) (About)	Transaction Date	Unit Rate (sq.ft.) (About)	Adjusted Unit Rate (sq.ft.)
55 St James's Street	26,537	63.4 Million	March 2024	£2,389	£2,019
14-15 Conduit Street	15,889	36.7 Million	March 2024	£2,310	£1,969
30 Golden Square	32,492	72.25 Million	October 2024	£2,224	£1,922
45 Pall Mall	59,712	135.45 Million	November 2024	£2,268	£2,024

We have applied adjustments to the difference in building age, difference in location/environment and the difference in size. As the Property has a much bigger area than the comparables, downward adjustment was made on the comparables transacted price. Among the above adjustment factors, size is the biggest adjustment. Building age adjustment of 1.8% to -3.2%, location/environment adjustment of -2% to 2%, and property size adjustment of -5.6% to -16.5% have been applied to the transacted unit rates of the adopted transactions. The adjusted unit rates of market sales transactions ranged from £1,922 to £2,024 per sq.ft., with an average unit rate of £1,980 per sq.ft. By adopting the average unit rate of £1,980 per sq.ft., the resultant Market Value of the Property with an area of 82,024 sq.ft. is thus rounded to £162,000,000.

5. The Property includes 3 portions that are subject to 3 long leases with terms of 99 years, 223 years and 999 years respectively. During the term of these long leases, the rent is 5 pence per annum for the 99 years lease, and a peppercorn for both the 223 years lease and 999 years lease. Thus, the valuations of such portions are insignificant when comparing with the amount of valuation of the Property. As such, in the columns "Description and tenure" and "Particulars of occupancy", the description and particulars of the Property exclude such portions.

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 interest 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 entered 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:

(i) The Company

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

(L) denotes long position

Note 1:

These 1,430,700,768 Shares were directly held by Joseph Lau Luen Hung Investments Limited as to 230,984,820 Shares, Solar Bright Ltd. as to 723,290,948 Shares and Century Frontier Limited as to 476,425,000 Shares. 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. HW Chan as the trustee of her minor children Lau, Chung-hok, Lau, Sau-wah and Lau, Sau-ye. Therefore, pursuant to Part XV of the SFO, Ms. HW Chan was deemed to be interested in all these 1,430,700,768 Shares.

(ii) Associated corporations of the Company

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

(L) denotes long position

Note 2:

Ms. HW Chan (as the trustee for her minor children Lau, Chung-hok, Lau, 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. HW 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 entered 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. HW 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 LITIGATION

As at the Latest Practicable Date, so far as known to the Directors, no member of the Group was engaged in any litigation or claims of material importance pending or threatened against any member of the Group.

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. MATERIAL CONTRACTS

During the two years immediately preceding the date of this circular, the following contract, not being a contract entered into in the ordinary course of business, has been entered into by the Company and/or members of the Group and is or may be material:

- (a) a contract for services dated 16 August 2023 entered into between Chinese Estates, Limited (a direct wholly-owned subsidiary of the Company) (“CEL”) and Ms. HW 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 services 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, are 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.

6. INTERESTS IN ASSETS OR CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors or the Property Valuer had any interest, direct or indirect, in any asset which have been, since 31 December 2023, being the date to which the latest audited financial statements of the Company for the year ended 31 December 2023 were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

- (b) Save for the agreements disclosed in (i), (ii), and (iii) below and those under the paragraph headed “5. Material Contracts” in this appendix, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which contract or arrangement was subsisting at the Latest Practicable Date and significant in relation to the business of the Group:
- (i) a tenancy agreement dated 28 March 2022 entered into between Landrich (H.K.) Limited (an indirect wholly-owned subsidiary of the Company) as tenant and Windsor House Limited (a company indirectly wholly owned by Ms. HW Chan as a trustee of her minor children) (“WHL”) as landlord in relation to the leasing of certain premises of Chubb Tower, Windsor House for a term of three years for HK\$169,500 per month (excluding service charges and rates) as disclosed in the announcement of the Company dated 28 March 2022 and the supplemental announcement of the Company dated 30 March 2022;
 - (ii) a tenancy agreement dated 28 March 2022 entered into between CEL as tenant and WHL as landlord in relation to the leasing of certain floors of Chubb Tower, Windsor House for a term of three years for HK\$2,350,000 per month (excluding service charges and rates) as disclosed in the announcement of the Company dated 28 March 2022 and the supplemental announcement of the Company dated 30 March 2022; and
 - (iii) a tenancy agreement dated 13 March 2023 entered into between CEL as tenant and WHL as landlord in relation to the leasing of certain floor of Chubb Tower, Windsor House for a term of two years four months and 19 days for HK\$1,090,000 per month (excluding service charges and rates) as disclosed in the announcement of the Company dated 13 March 2023.

7. DIRECTORS’ INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, Ms. HW Chan and Mr. Lau, Ming-wai had personal and/or directorship interests in private companies engaged in property investment businesses and securities investment businesses; Ms. HW Chan had personal and/or directorship interests in private companies engaged in money lending business and property development business; and Mr. Lau, Ming-wai had personal and directorship interests in private company engaged in 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.

8. EXPERT AND CONSENT

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

Name	Qualification
LCH (Asia-Pacific) Surveyors Limited	Independent property valuer

The letter, advice, report, valuation certificate and/or opinion, as the case may be, of the above expert is given as of the Latest Practicable Date for incorporation herein.

As at the Latest Practicable Date, the above expert did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and (ii) any direct or indirect interest in any assets which have since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up) 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.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter(s), advice, report(s), valuation certificate(s) and/or opinion(s), as the case may be, and the references to its name included herein in the form and context in which such name appears.

9. 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 (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators).
- (d) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

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 property valuation report in respect of the Property prepared by LCH (Asia-Pacific) Surveyors Limited, the text of which is set out in Appendix II to this circular;
- (b) the material contracts referred to in the paragraph headed “5. Material Contracts” of this appendix;
- (c) the written consent referred to in paragraph headed “8. Expert and Consent” of this appendix; and
- (d) the Sale and Purchase Agreement.