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CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

VOLUNTARY ANNOUNCEMENT REALISED AND UNREALISED GAIN/LOSS ON SECURITIES INVESTMENTS

Chinese Estates Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) are principally engaged in property investment and development, building and property management, brokerage, securities investment, money lending and cosmetics distribution and trading.

The board of directors of the Company (the “**Board**”) announces that the Group has in the ordinary and usual course of business conducted its securities investment activities for years and during the six months ended 30 June 2022 (the “**Period**”), the Group disposed of certain securities investments and treasury products. Remaining securities investments and treasury products as at 30 June 2022 have been revalued to their fair values at that date. As a result, it is estimated that certain realised and unrealised gain or loss, net dividend income, interest income/expenses and other investment income/expenses, would be recognised in the consolidated statement of comprehensive income for the Period.

During the Period, the Group disposed of certain equity securities listed in Hong Kong, which is presented as financial assets measured at fair value through other comprehensive income (the “**Financial Assets measured at FVTOCI**”), it is expected that a realised gain of approximately HK\$15 million (inclusive of transaction costs) would be recorded as other comprehensive income for the Period. Based on the preliminary assessment on the valuation of the remaining Financial Assets measured at FVTOCI, it is expected that an unrealised loss on fair value change of approximately HK\$35 million would be recorded as other comprehensive expense for the Period.

During the Period, the Group also disposed of certain securities investments and treasury products, mainly comprised equity securities listed in Hong Kong or elsewhere, bonds and structured products, which are presented as financial assets measured at fair value through profit or loss (the “**Financial Assets measured at FVTPL**”) (the “**Disposal**”). As a result of the Disposal, it is estimated that a net realised gain of approximately HK\$25 million would be recognised in profit or loss for the Period. Based on the preliminary assessment of the quoted prices and estimated fair values of the remaining Financial Assets measured at FVTPL, the net unrealised loss on the fair value changes for the Period was estimated to be approximately HK\$0.21 billion and would be recognised in profit or loss for the Period.

The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

Further, the Group's net income/expenses from net dividend income, interest income/expenses and other investment income/expenses from the securities investments and treasury products for the Period will be disclosed in the announcement of interim results for the Period upon finalisation of such figures.

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

By order of the Board
Lam, Kwong-wai
Executive Director and Company Secretary

Hong Kong, 6 July 2022

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

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