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## **CHINESE ESTATES HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 127)

### **PROFIT WARNING PRICE SENSITIVE INFORMATION RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the year ended 31st December, 2008 as compared to a profit for the year ended 31st December, 2007.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 11:24 a.m. on 26th February, 2009 pending the release of this announcement. Application has been made for the resumption of trading in the shares of the Company with effect from 2:30 p.m. on 26th February, 2009.

This announcement is made by Chinese Estates Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the year ended 31st December, 2008 as compared to a profit for the year ended 31st December, 2007. Investment properties of the Group will be revalued as at 31st December, 2008 and any decrease in fair value will be recognized in the income statement. The Board attributes such loss to unrealized valuation losses on the Group’s investment properties as a result of the downturn of the property markets in Hong Kong and Mainland China.

The decrease in fair value of the Group’s properties will not affect the cash flows of the Group. The core businesses of the Group comprising of property investment and development and securities investments remain profitable for the year ended 31st December, 2008. As announced on 2nd January, 2009, the Company disposed all the listed equity securities investment included in available-for-sale investments. The financial effect of such disposal of approximately HK\$3,647.8 million was recognized as net investment income in the income statement for the year ended 31st December, 2008. Accordingly, the Board believes that the financial position of the Group remains sound. The Board is of the view that the Company is well positioned to meet the challenges ahead.

The Company is in the process of preparing annual results of the Group for the year ended 31st December, 2008. The information contained in this announcement is only based on information currently available to the Company and is not based on any figures or information that has been audited or reviewed by the Company's auditors. Details of the Group's performance will be disclosed as and when the final results for the year ended 31st December, 2008 are announced.

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By order of the Board  
**Lam, Kwong-wai**  
*Company Secretary*

Hong Kong, 26th February, 2009

*As at the date of this announcement, the Board comprised Mr. Joseph Lau, Luen-hung as Executive Director, 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>*