



華人置業集團

CHINESE ESTATES HOLDINGS LIMITED

Interim Results 2010 of Chinese Estates

Recorded Core Profit of Approx. HK\$200 Million

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Encouraging Sales Performance of First Chengdu Project

(30 August, 2010 – Hong Kong) **Chinese Estates Holdings Limited** (“Chinese Estates” or the “Group”; stock code: 0127) announces today its interim results for the six months ended 30 June 2010 (the “Period”). Loss attributable to owners of the Company for the Period was HK\$3,207.1 million. The loss for the Period was mainly due to the fair value loss on investment properties. If the net loss on the major non-cash items are excluded, the Group recorded a core profit attributable to owners of the Company for the Period of HK\$199.4 million and a core earnings per share of HK10.3 cents. Revenue for the Period amounted to HK\$692.5 million.

The Board has resolved not to declare any interim dividend for the Period.

The Board has declared a special dividend of HK40 cents per share for the Period, which was part of the proceeds resulted from disposal of some of the Group’s properties (Details please refer to the announcement dated 18th May, 2010).

Mr. Joseph Lau, Chairman, CEO and Executive Director of the Group, commented on the performance of 2010 interim results, “Despite the gloomy economic environment and ongoing turmoil in the financial markets, the Group maintained a healthy financial status with satisfactory results and sufficient cash in the first half of 2010. We achieved a good sales performance of our first Chengdu Project, Splendid City and sustained good rental income and occupancy rates.”

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Property Investment in Hong Kong

Rentals from investment properties continued to be one of the major sources of our income. The overall occupancy rate of the Group's retail portfolio was 83.18% during the Period due to the renovation of Windsor House. The occupancy rate jumped to 94.60% if non-core properties and Windsor House are excluded. The satisfactory occupancy rate is attributable to the prime locations of the majority of the Group's retail properties.

Despite the economic turmoil in 2009, the Group's overall gross rental income recorded HK\$562.6 million for the Period, which increased 1.5% over the same period last year. In first half 2010, some retail shops of Windsor House have been suspended business for renovation that caused a loss in rental income. Subsequent to the completion of Windsor House's renovation work in May 2010, in addition to the opening of the Group's brand new mall, The ONE, rental income is expected to be back on track in the second half of this year.

Retail Properties

During the Period, the average occupancy rate of the shops of Excelsior Plaza – Laforet and Causeway Place were approximately 99.39% and 94.06% respectively.

The second phase renovation of Windsor House commenced in March 2008. Portions of the circulation areas and shops at ground floor and first floor have been re-opened in December 2008 and June 2009 respectively and the whole renovation work has been completed in May 2010. The revamped Windsor House provides shoppers a cozy shopping environment with a diversified trade mix.

As for Silvercord, its average occupancy rate was 93.87% during the Period. The occupancy rate, tenant mix and traffic flow of Silvercord have been enhanced after its renovation and repackaging in 2007. In order to further refine the configuration of the retail shops and restaurants at third floor, improvement works to third floor commenced in August 2010.

The ONE, i.e. the redevelopment project of the former Tung Ying Building in Tsim Sha Tsui is a 29-storey integrated shopping, entertainment and food and beverage complex with more than 400,000 square feet of retail spaces. The redevelopment has been completed in July 2010. Pre-lease marketing has been commenced and encouraging responses were received from prospective tenants. Around 90% of shops were leased with some of them are well-known brand names.

Office Properties

The occupancy rate for the Group's office properties maintained at a satisfactory level throughout the first half of 2010. During the Period, the average occupancy rates of Windsor House, MassMutual Tower and Harcourt House were approximately 85.13%, 99.48% and 83.57% respectively, bringing the approximate occupancy rate of the overall office portfolio to 89.61%.

Property Development in Hong Kong

In general, the Group's development projects have been progressing satisfactorily and the sales have been achieving pleasing results.

York Place is a high-end residential tower located in prime area of Wanchai, having 94 units. As at 30th June, 2010, 86 units were sold, representing 91.49% of total units.

i-home is a joint venture project with the Urban Renewal Authority located in Tai Kok Tsui. It provides a single residential tower block comprises 182 units. As at 30th June, 2010, 172 units were sold, representing 94.51% of total units.

MOD 595 is another joint venture project with the Urban Renewal Authority located in Mongkok. It provides a single residential tower block comprises 85 units. Only 1 unit remained unsold as at 30th June, 2010.

Sun Fair Mansions, 12 Shiu Fai Terrace, located in Mid-Levels East, is a traditional prestigious location for luxury residential project in Hong Kong. A luxury residential tower which provides a total residential gross floor area of around 42,900 square feet will be redeveloped. Demolition work has been completed, site formation work is in progress. The whole project is expected to be completed in end 2012.

The Zenith (87.5% interest) is a two-phase redevelopment project at Tai Yuen Street, Wanchai undertaken with the Urban Renewal Authority. All residential units of phase I were sold. Phase II will be a residential/commercial complex development with a gross floor area of approximately 159,700 square feet. Redevelopment work with preservation of the core elements of Wanchai Market and foundation work are in progress. Completion of phase II is scheduled for end 2012.

No. 55 Conduit Road (70% interest), a residential site in Mid-Levels which provides a total residential gross floor area of around 87,800 square feet. This site will be developed into a luxury residential project. The first phase of the site formation work has been completed. Piling works and the associated substructure works are in progress.

The Hermitage (25% interest), is one of the Group's joint venture development projects in West Kowloon. Its superstructure work is in progress. The Hermitage will comprise six residential tower blocks, which provides in aggregate 964 residential units and retail properties with a total gross floor area of around 1,095,980 square feet. The whole project is expected to be completed in end 2010. It has been launched in June 2010.

Another West Kowloon - joint venture development project is located at the junction of Hoi Wang Road, Yan Cheung Road and Yau Cheung Road (15% interest). Its superstructure work is in progress. Six residential tower blocks with residential and retail properties of total gross floor area of approximately 650,600 square feet will be developed. Completion of the whole project is scheduled for end 2011.

Macau Property Development

The Group is planned to develop the site at Avenida Wai Long, Taipa, Macau (70.01% interest) into a high-end residential project with total gross floor area of approximately 5,786,242 square feet (excluding basement car park). It will comprise 26 residential tower blocks and will be developed in phases. The revised master layout plan of the whole development had been agreed by the government whereas detailed proposal for execution of the Phase I development are being formulated for the approval of the government. Site preparation works for the Phase I development commenced in May 2010.

Property Investment in Mainland China

The average occupancy rate of the 79 retail outlets with a total area of approximately 29,000 square feet in Lowu Commercial Plaza, Shenzhen was 98.57% for the Period.

Evergo Tower, located at Central Huaihai Road in Shanghai, is a 21-storey office and shopping complex with a gross floor area of around 263,708 square feet. The average occupancy rates of the office and retail spaces for the Period were 83.72% and 70.13% respectively.

Platinum (50% interest), a 20-storey Grade A office building located at Taicang Road of Luwan District in Shanghai, has a gross floor area of about 466,464 square feet. The occupancy rate as of June 2010 was 94.60%. The Group's interest in Platinum had increased from 30% to 50% in June 2010.

Hilton Beijing (50% interest), having 503 rooms, average occupancy rate was 70.70% for the Period.

Oriental Place (50% interest), a 10-storey office building next to Hilton Beijing, average occupancy rate was 94.15% for the Period.

Property Development in Mainland China

Splendid City, a residential project located at Yingbin Road of Jinniu District in Chengdu, has gross floor area of approximately 3.74 million square feet. Phase I of Splendid City is under superstructure construction and expected to be completed in end 2010. As at 30th June, 2010, 1,004 out of 1,226 units of Phase I launched (i.e. 81.89%) were presold.

The Metropolis is a residential project located at Dongda Street of Jinjiang District in Chengdu, with gross floor area of approximately 1.65 million square feet. Phase I of The Metropolis is under superstructure construction and expected to be completed in end 2012. Its launching is scheduled for end 2010.

Chinese Estates Plaza, a commercial and residential project at South Taisheng Road of Qingyang District in Chengdu, has a site area of about 404,267 square feet with a development scale of 3.2 million square feet. Substructure construction works are in progress. Completion of the project is scheduled for end 2013.

The commercial and residential project at Huaxinjie Street of Jiangbei District in Chongqing (25% interest), has a site area of around 2,207,546 square feet and a gross floor area of approximately 11.08 million square feet, is at design stage.

Prospects

Looking ahead, Mr. Joseph Lau, said, "Although the remainder of the year will continue to be challenging, we remain optimistic with our operational performance of the investment and development properties. The completion of renovation at Windsor House in Causeway Bay and the upcoming grand opening of our redevelopment project – The ONE in Tsim Sha Tsui are expected to lift the rental income of the Group. Under the Central Government's policy of promoting the western and northern cities, we expect the sales of our Chengdu projects to continue to perform well."

The Group will continue to enhance the value of its investment properties and capture opportunities for replenishing its land bank.

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About Chinese Estates Holdings Limited

Chinese Estates Holdings Limited (SEHK Stock Code: 0127) and its subsidiaries principally engages in property investment, development and management in Hong Kong, Macau and the Mainland China. The Group has always been identified with high quality investment portfolio and mid-end to high-end commercial and residential properties in prime locations.

**The Group's interim results announcement webcast can be viewed at www.chineseestates.com from 31 August, 2010 onwards.*

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