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CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

ANNOUNCEMENT BY OFFEREE PURSUANT TO TAKEOVERS CODE, PRICE-SENSITIVE INFORMATION AND RESUMPTION OF TRADING

The board of directors (the "Board") of Chinese Estates Holdings Limited (the "Company") has noted an article appearing in the South China Morning Post on 3 July 2007 which reports that talks are taking place which may lead to an offer for the Company.

The Board confirms that it has received expressions of interest in relation to the Company from a number of third parties. The Board is in talks with some of these parties. These talks are at a preliminary and confidential stage and may or may not lead to an offer for the Company. The Board would like to make clear that no offer has been made by any of such parties, and the Board cannot give any assurances that an offer will be made. **Shareholders and potential investors in the Company are therefore advised to exercise caution in dealing in the shares of the Company (the "Shares").**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:31 a.m. on 3 July 2007 pending the release of this announcement. An application has been made for the resumption of trading with effect from 9:30 a.m. on 4 July 2007.

This announcement is made pursuant to Rule 13.09 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Rule 3.7 of Hong Kong Code on Takeovers and Mergers (the "Takeovers Code").

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Associates of the Company are reminded to disclose their dealings in any securities in the Company.

In accordance with the Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

"Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in the relevant securities (which is in this case the Shares) on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to Associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules under the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security (which is in this case the Shares) undertaken for a client during any 7 day period is less than HK\$1 million. This dispensation does not alter the obligation of principals, Associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive under the Takeovers Code in its dealings enquiries. Therefore, those who deal in the relevant securities (and in this case, the Shares) should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation."

At the date of this announcement, the Company has 2,284,213,312 ordinary shares in issue and has no other relevant securities (as defined in the Takeovers Code) in issue.

Further announcements will be made by the Company as and when appropriate and in compliance with the relevant requirements of the Listing Rules and the Takeovers Code.

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By Order of the Board
Lam Kwong-wai
Company Secretary

Hong Kong, 3 July 2007

As at the date of this announcement, the Board comprised Mr. Joseph Lau, Luen-hung and Mr. Lau, Ming-wai as Executive Directors, Ms. Amy Lau, Yuk-wai as Non-executive Director and Mr. Chan, Kwok-wai, Mr. Cheng, Kwee and Ms. Phillis Loh, Lai-ping as Independent Non-executive Directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement have been arrived at after due and careful consideration, and that there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

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