



**CHINESE ESTATES
HOLDINGS LIMITED**

華人置業集團

CORPORATE PRESENTATION



ANNUAL RESULTS 2005

SEHK stock code: 0127



Agenda



- Financial Highlights
- Business Review
- Future Plan and Prospects
- Open Forum



CHINESE ESTATES
HOLDINGS LIMITED
華人置業集團

Financial Highlights





Financial Highlights

For the year ended Dec 31

Profit attributable to shareholders
(HK\$M)

Basic EPS (HK cents)

Total dividend per share (HK cents)

– Interim

– Final

Total dividend payout for the year

Adjusted dividend payout

2005

2004
(Restated)

Change

6,155

1,619

280%

300.0

78.1

284%

21.0

19.5

7.69%

9.0

8.5

5.88%

12

11

9.09%

7%

25%

-72%

38%

30%

27%





Income Analysis

For the year ended Dec 31 (HK\$ million)	2005	2004 (Restated)	Change
Rental (net)	688	665	+3.5%
Property Sale	130*	385	-66.2%
Fair Value Changes on investment properties (26% increase)	4,977	---	N/A
Development property writeback (Tai Yuen Street 100%)	977	187	+422.5%
Impairment loss recognized for Chenghai Royal Garden Project	--	(71)	N/A
Securities Investment (listed)	243	284	-14.4%
• Realized Gain	145	74	+95.9%
• Unrealized (Loss) / Gain (Held-For-Trading only)	(138)**	165	-183.6%
• Exchange, dividend, interest & others	236	45	+424.4%
Administrative Expense	(129)	(121)	+6.6%
Interest Expense	(278)#	(55)	+405.5%
Associates (including gain on privatization of KSH \$82m)	430 ##	208	+106.7%
Others	346	222	+55.9%
Profit before Tax	7,384	1,704	+333.3%
Profit after Tax and MI	6,155	1,619	+280.2%
Profit after Non-Cash Items	1,114	1,336	-16.6%

* Property Sale including

2005 : Parc Palais, 80% on re-sale of Barker Road and 1 shop in Manhattan Avenue;

2004 : Parc Palais, Barker Road, Manhattan Avenue, City 151 and Gemstar Tower.

** Unrealized gain on Available-for-Sale Investments recognized through Reserve \$330.4m.

The average interest rate for 2005 is 3.51% (2004 : 0.95%).

Including Miami Crescent \$45.9m; For Indihome \$109.6m booked in Jan/Feb 2006; For Mount Beacon – presale booked in 2006.



Key Financial Indicators

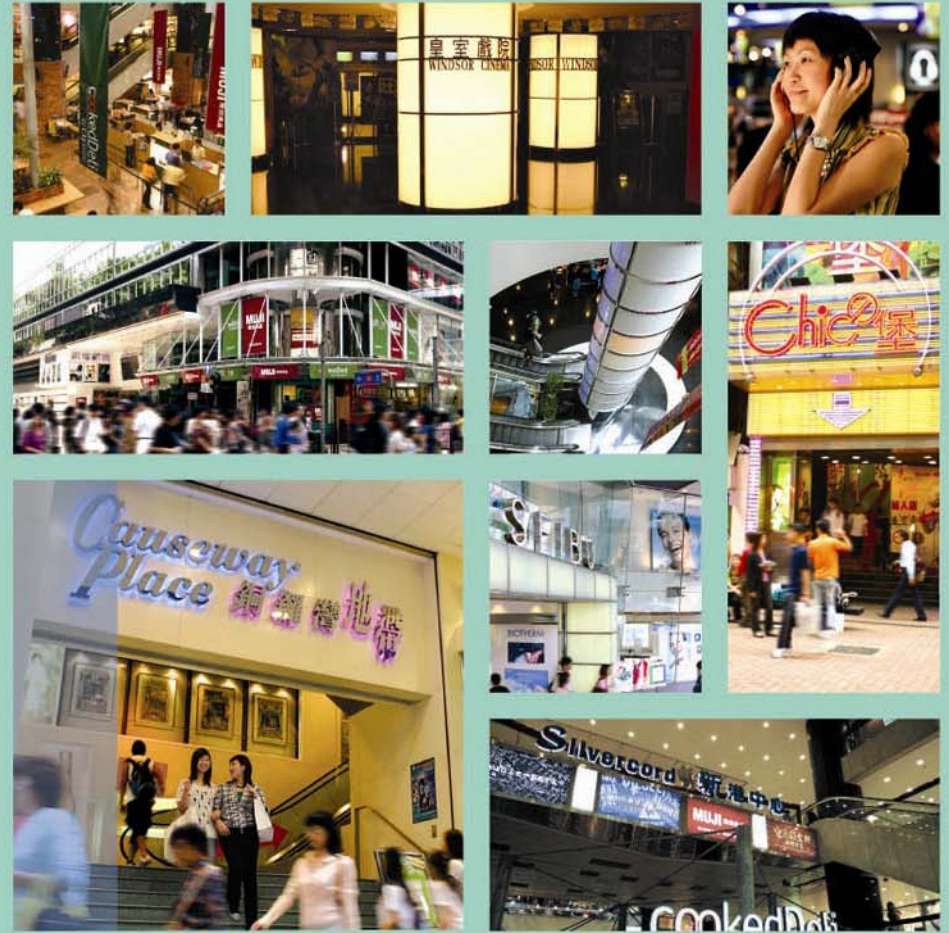
	Dec 31, 2005	Dec 31, 2004 (Restated)	Change
Total net asset (HK\$M)	23,302	16,212	43.7%
Net asset per share (HK\$)	11.14	7.99	39.4%
Interest coverage ratio	21.9x	25.3x	-13.3%
Average return on equity	32.4%	11.6%	179.3%
Cash and cash equivalents (HK\$M) (Excluding Securities Products \$7.6M)	1,755	1,852	-5.2%
Gearing ratio (net debt to equity)	47.0%	32.3%	+45.5%
Gearing ratio (net debt to equity including securities products)	14.9%	22.1%	-32.5%





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Business Review



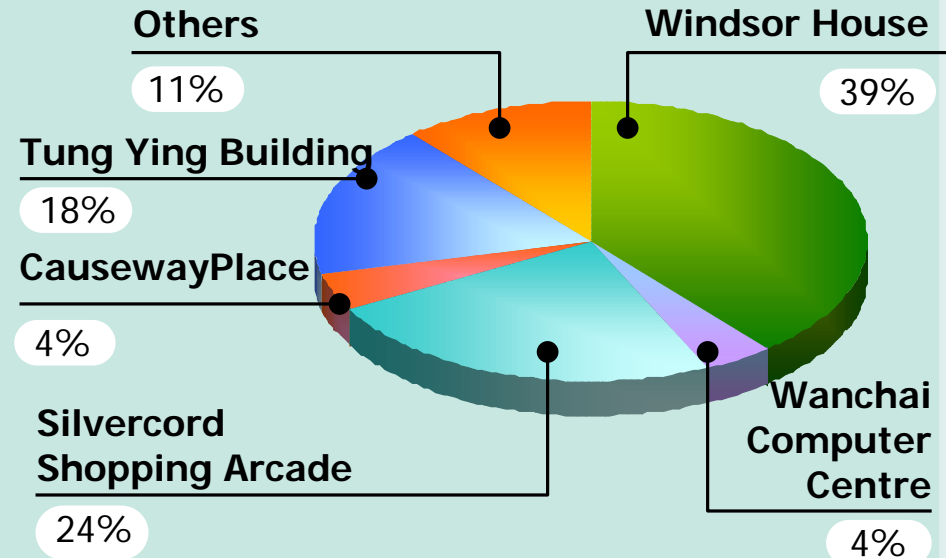


Property Investment – Retail in HK

● *Occupancy rate in FY2005 : 97%* ▲ 2%

Total attributable GFA
Approx: 1,045,000sq. ft.

Property name	Occupancy rate 2005
Windsor House (retail)	93%
Causeway Place	99%
Wanchai Computer Centre	95%
Silvercord Shopping Arcade	92%

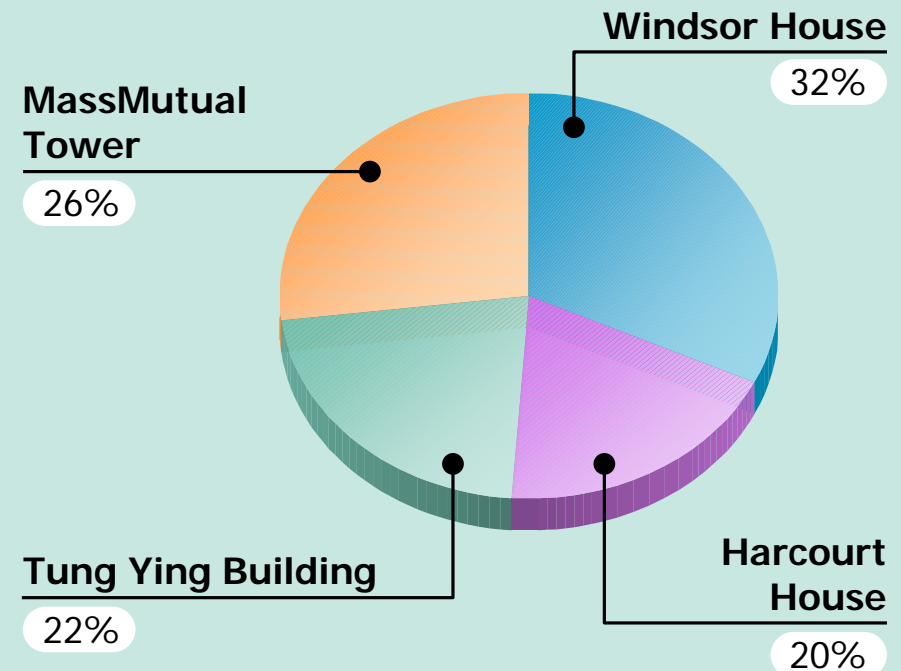


Property Investment – Office in HK

● *Occupancy rate in FY2005 : 94%* ▲ 2%

**Total attributable GFA
Approx: 1,260,000 sq. ft.**

Property name	Occupancy rate 2005
Windsor House (office)	93%
MassMutual Tower	97%
Harcourt House	92%



Property Development

- Continue to focus on mid to high-end property projects
- Projects for sale and pre-sale during 2005
 - First launch of Miami Crescent – 62 houses sold
 - First launch of Mount Beacon – 141 units sold
 - Remaining units in Indihome – 19 units sold
 - Remaining units in Parc Palais – 71 units sold
- Projects scheduled for sale or pre-sale from 3Q2006 including the Tai Yuen Street project and the Macau project at the Avenida Wai Long, Taipa
- Successful bought the Western Kowloon land in land auction with the JV of Sino Land and Nan Fung

Investment in the PRC

- Satisfactory occupancy rates as a result of rising consumption spending and strong demand for office space

Property name		Group's interest	Average Occupancy rate 2005	Average Occupancy rate 2004
Evergo Tower (formerly Peregrine Plaza) - office - retail	Shanghai	50%	90% 99%	99% 94%
Hong Kong New World Tower - office - retail	Shanghai	36.45%	94% 82%	82% 56%
Hilton Beijing	Beijing	50%	85%	87%
Lowu Commercial Plaza (79 shops on level 1)	Shenzhen	100%	98%	100%



Highlights in 2005

February

Privatization of The Kwong Sang Hong International Limited

- Owns 50% effective interest in Kwong Sang Hong's assets
- Total consideration from Chinese Estates: HK\$187.7 million

April

Issue of HK\$1.81 billion Zero Coupon Convertible Bonds due 2010

- Well-positioned for land acquisitions and potential business opportunities in the Greater China region

June

Announced redevelopment of Tung Ying Building

- The redevelopment is set to start in 2006
- Total redevelopment cost is estimated to be about HK\$1 billion

December

Tapping into the Macau property by acquiring 5 parcels of lands

- Owns 70.01% effective interest in the Macau project
- Total land cost : HK\$1.4 billion

Corporate Governance

- Dedicated to good standards and practice of corporate governance
- Complying with the code provisions in “Code of Corporate Governance Practices” set out in Appendix 14 of the Listing Rules except technical deviations
- Reviewing the financial statements by Audit Committee with the management
- Remuneration Committee to review remuneration packages of senior management and other long term salary schemes
- Strengthening investor relations by enhancing accountability and transparency



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Future Plans



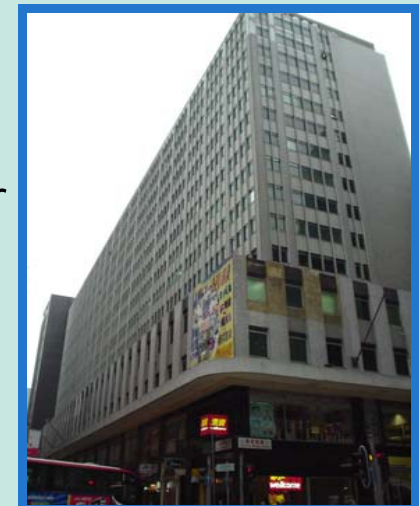


Renovation & Repackaging of Landmark Properties

<i>Properties and locations</i>	<i>Occupied GFA (sq ft)</i>	<i>Estimated Time frame</i>	<i>Estimated Change of rental</i>
Silvercord Shopping Arcade, Tsim Sha Tsui Stage 1 – bubble life and cinema Stage 2 - other parts of the Arcade	34,000 70,000	2006 2007	> 1,500% > 720%
Excelsior Plaza (Laforet), Causeway Bay - G/F, 1/F, & 2/F	46,000	2Q 2006	> 130%
Windsor House, Causeway Bay - Basement & G/F - 1/F	75,000 35,900	3Q - 4Q 2006	>300% >230%

Redevelopment of Tung Ying Building

- Redevelopment of Tung Ying Building, Tsim Sha Tsui
 - Starting redevelopment in early 2006
 - Redevelop into a retail-predominant complex together with entertainment and other commercial usage
 - GFA of the redeveloped property –
approx. 400,000 sq ft



Tung Ying Building, TST

Property Investment & Development in Macau - Avenida Wai Long, Taipa



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- Site area is 847,000 sq.ft approximately
- Proposed residential GFA is 5,000,000 sq.ft approximately
- 4 phases with the whole construction period is around 5-8 years
- 24 residential blocks and 1 block of serviced apartments

Upcoming Projects in 2006



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Avenida Wai Long,
Taipa, Macau



Wanchai Road / Tai Yuen
Street Redevelopment



Miami Crescent, Sheung Shui



Parc Palais, King's Park



Mount Beacon, Kowloon Tong



Indihome, Tsuen Wan





Quality Property Portfolio

Property name / Address	Group's interest	Usage	Total no. of units	Launch / Expected launch date *
Parc Palais, King's Park	10%	R	48 [^] (Remaining units)	In progress
Indihome, Tsuen Wan	50%	SA/Re	377 [^] (Remaining units)	In progress
Miami Crescent, Sheung Shui	50%	H	17 [^] (Remaining units)	In progress
Mount Beacon, Kowloon Tong	33.3%	H/R	78 [^] (Remaining units)	In progress
Wanchai Road/ Tai Yuen St. - Phase 1	87%	R/Re	652	3Q2006
Avenida Wai Long/ Taipa, Macau - Phase 1	70%	R	754 [#]	3Q2006
No. 589-601 Reclamation Street/ Mong Kok	100%	R/Re	85 [#]	2007
K.I.L. No.11182 Larch Street/ Tai Kok Tsui	100%	R /Re	200 [#]	2007
Tung Sang Building/ Wan Chai	100%	R/Re	100 [#]	2007
No. 55 Conduit Road/ Mid-levels	70%	R	47 [#]	2008
Adjoining lots at Lot No. 11168 Hoi Ting Road and Lot No. 11167 Hoi Wang Road West Kowloon	25%	R/Re	1,400 [#]	2008
Wanchai Road/ Tai Yuen St. - Phase 2	87.5%	R/Re	252 [#]	2009

[^] As of January 2006

[#] Estimation subject to change

* Subject to market situation

H: House / R: Residential / SA: Service Apartments / Re: Retail

Prospects

- Enhance property values via redevelopment and commercialization programmes
- Secure quality tenants with attractive tenant-mix in landmark properties
- Explore opportunities to sell properties strategically
- Remain well-focused on mid to high-end property projects
- Replenish quality land bank through various means including land applications, KCRC / MTRC / URA projects and private tenders
- Identify and grasp other lucrative business opportunities in the Greater China region including Macau
- Strive to create a promising future for stakeholders



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Open Forum