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CAPITAL ESTATE LIMITED
冠中地產有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code : 193)

RESULTS OF THE RIGHTS ISSUE

As at 4:00 p.m. on Monday 17 October 2005, being the latest time for payment for and acceptance of the Rights Issue, a total of 78 valid acceptances and applications had been received for a total of 213,730,521 Rights Shares, which comprise 40 valid acceptances of provisional allotments in respect of a total of 64,320,428 Rights Shares and 38 valid applications for excess Rights Shares in respect of a total of 149,410,093 Rights Shares, representing in aggregate approximately 101.69% of the total number of 210,175,944 Rights Shares available.

The Rights Issue became unconditional after 4:00 p.m. on Wednesday, 19 October 2005.

Reference is made to the prospectus of the Company dated 30 September 2005 (“Prospectus”) in respect of the Rights Issue. Capitalised terms used herein have the meanings ascribed to them in the Prospectus, unless otherwise defined.

Results of the Rights Issue

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The Rights Issue became unconditional after 4:00 p.m. on Wednesday, 19 October 2005.

The Board has chosen to allot the 145,855,516 Rights Shares available for excess application on an equitable basis with preference being given to applications necessary to create whole lots. Allotment results in respect of the excess Rights Shares are set out as follows:

Excess Rights Shares applied for	Number of valid applications	Total number of excess Rights Shares applied for	Total number of Rights Shares allotted	Approximate percentage of allocation based on the total number of excess Rights Shares applied for in this category	Allotment basis
1 to 1,999	9	9,404	9,404	100%	In full
2,000 to 49,000	18	275,083	275,083	100%	Odd lot in full plus additional Shares of approximately 97.61% of the remaining excess Rights Shares applied for and rounded up to a board lot of 2,000 Shares
49,001 to 201,920	2	303,020	297,020	98.02%	
201,921 to 1,460,640	1	1,460,640	1,426,640	97.67%	
1,460,641 to 1,500,000	1	1,500,000	1,466,000	97.73%	
1,500,001 to 13,000,000	5	56,500,000	55,154,000	97.62%	
13,000,001 to 34,100,000	1	34,100,000	33,286,000	97.61%	
55,261,946	1	55,261,946	53,941,369	97.61%	Approximately 97.61%
TOTAL	38	149,410,093	145,855,516		

Shareholding of the Company

In accordance with the terms of its undertaking to the Company and the Underwriter dated 8 August 2005, Supervalve has taken up its entire provisional allotment of 34,394,560 Rights Shares and is interested in a total of 42,993,200 Shares on completion of the Rights Issue, representing approximately 16.36% of the issued share capital of the Company as enlarged by the Rights Issue. Not less than 25% of the issued share capital of the Company is in public hands following the completion of the Rights Issue.

The shareholdings in the Company immediately before and after completion of the Rights Issue are as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Shares	%	Shares	%
Supervalve	8,598,640	16.36	42,993,200	16.36
Public	43,945,346	83.64	219,726,730	83.64
Total	52,543,986	100.00	262,719,930	100.00

Adjustments in relation to the Convertible Notes and Share Options

(I) *Convertible Notes*

Upon completion of the Share Consolidation and the Rights Issue, the subscription price of Shares to be issued upon conversion of the outstanding Convertible Notes has been amended in accordance with the terms and conditions of the Convertible Notes.

Prior to the completion of the Share Consolidation, the Company had outstanding Convertible Notes of HK\$3.22 million convertible into 115,000,000 Old Shares at the conversion price of HK\$0.028 per Old Share. Upon completion of the Share Consolidation which took effect on 29 September 2005, the conversion price of the Convertible Notes has been adjusted to HK\$2.80 per Share.

Upon completion of the Rights Issue, the conversion price of the Convertible Notes has been adjusted to HK\$1.456 per Share.

The above adjustment in relation to the conversion price of the Convertible Notes upon completion of the Share Consolidation and the Rights Issue has been certified by Access Capital Limited, an independent financial adviser, in accordance with the terms of the Convertible Notes.

(II) *Share Options*

Upon completion of the Share Consolidation and the Rights Issue, the subscription price and/or the number of Shares to be issued upon exercise of the Share Options will be adjusted in accordance with the terms and conditions of the Company's share option schemes adopted on 30 December 2002.

The Company is in discussion with its professional advisers about adjustments to the Share Options in light of the Stock Exchange's recent clarification of the Listing Rules. Additional time is therefore required for consultation with professionals regarding the adjustments (if any) relating to the Share Options. A further announcement in this regard will be made by the Company when appropriate.

General

Share certificates for fully paid Rights Shares in respect of valid acceptances of Rights Shares on provisional allotment letters and successful applications for excess Rights Shares will be despatched by ordinary post to those entitled thereto at their own risk by the Registrar on or before Thursday, 20 October 2005. Refund cheques in respect of wholly or partially unsuccessful excess applications (without interest) will be despatched to those entitled thereto at their own risk on or before Thursday, 20 October 2005. Dealings in fully paid Rights Shares are expected to commence on Monday, 24 October 2005.

By order of the board of
Capital Estate Limited
Chu Nin Yiu, Stephen
Executive Chairman

Hong Kong, 19 October 2005

As at the date of this announcement, the Board comprises Mr. Chu Nin Yiu, Stephen, Mr. Chu Nin Wai, David, Mr. Lau Chi Kan, Michael as executive Directors and Mr. Li Sze Kuen, Billy, Mr. Wong Kwong Fat and Mr. Leung Kam Fai as independent non-executive Directors.

Please also refer to the published version of this announcement in The Standard.