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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)**

## **POLL RESULT OF THE EXTRAORDINARY GENERAL MEETING**

### **DESPATCH OF PROSPECTUS DOCUMENTS**

### **ADJUSTMENTS TO THE SHARE OPTIONS AND THE WARRANTS**

At the EGM held on 12 March 2007, the resolution to effect the Capital Increase was duly passed by the Shareholders by way of poll. At the same meeting, the resolutions to approve the Rights Issue and the Addendum to the Share Option Scheme were duly passed by the Independent Shareholders by way of poll.

The Prospectus Documents for the Rights Issue are expected to be despatched to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders and holders of the Share Options and Warrants on 13 March 2007.

Pursuant to the terms of the Share Option Scheme and the terms and conditions of the Warrants, adjustments are required to be made to the exercise price and/or the number of new Shares falling to be issued upon exercising of the outstanding Share Options and rights to subscribe for Shares under the Warrants as a result of the Rights Issue.

Reference is made to the circular issued by Capital Estate Limited (the “Company”) dated 16 February 2007 (the “Circular”). Unless otherwise defined herein, terms used herein shall have the same meanings as those defined in the Circular.

### **POLL RESULT OF EGM**

The Board is pleased to announce that the resolution for approving the Capital Increase was duly passed by the Shareholders by way of poll at the EGM held on 12 March 2007. At the same meeting, the resolutions to approve the Rights Issue and the Addendum to the Share Option Scheme were duly passed by the Independent Shareholders by way of poll. The Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, was appointed as the scrutineer at the EGM for the purpose of vote-taking.

The result of the poll on the resolutions was as follows:

RESOLUTIONS		No. of votes — Shares (%)	
		FOR	AGAINST
1.	Ordinary resolution no.1 - to approve the Capital Increase	446,841,610 (100%)	nil (0%)
2.	Ordinary resolution no.2 - to approve the Rights Issue	280,411,110 (100%)	nil (0%)
3.	Special resolution no.3 - to approve the Addendum to the Share Option Scheme	280,411,110 (100%)	nil (0%)

As at the date of the EGM, the number of issued shares of the Company was 1,693,587,340 Shares. As referred to in the Circular, Mr. Chu, being an executive Director, and Supervalve being his associate, who was interested in an aggregate of 381,396,500 Shares, representing approximately 22.52% of the issued share capital of the Company, has abstained from voting on the resolution to approve the Rights Issue at the EGM. In accordance with clause 13.1 of the Share Option Scheme, Mr. Chu, as a grantee of Share Options, and Supervalve as his associate, has also abstained from voting on the resolution to approve the Addendum to the Share Option Scheme. As a result, only the Independent Shareholders holding a total of 1,312,190,840 Shares, representing approximately 77.48% of the issued share capital of the Company, were entitled to vote for or against the resolutions to approve the Rights Issue and the Addendum to the Share Option Scheme at the EGM.

#### **DESPATCH OF THE PROSPECTUS DOCUMENTS**

The Prospectus Documents for the Rights Issue are expected to be despatched to the Qualifying Shareholders and, for their information only, to the Non-Qualifying Shareholders and holders of the Share Options and Warrants (without inclusion of the PAL and EAF) on 13 March 2007.

#### **DEALINGS AND LATEST TIME FOR ACCEPTANCE**

Dealings in the nil-paid Rights Shares on the Stock Exchange are expected to commence on Thursday, 15 March 2007 and cease on Friday, 23 March 2007 (both dates inclusive) whilst the conditions for the Rights Issue remain unfulfilled. The latest time for acceptance and payment for the Rights Shares is 4:00 p.m., Wednesday, 28 March 2007.

#### **ADJUSTMENTS TO THE SHARE OPTIONS AND THE WARRANTS**

Pursuant to the terms of the Share Option Scheme and the terms and conditions of the Warrants, adjustments are required to be made to the exercise price and/or the number of new Shares falling to be issued upon exercising of the outstanding Share Options and rights to subscribe for Shares under the Warrants as a result of the Rights Issue.

In accordance with the terms of the Share Option Scheme and the Supplementary Guidance, the exercise price of and the number of Shares falling to be allotted and issued upon full exercise of the outstanding Share Options have been adjusted (the “Share Option Adjustments”) in the following manner as a result of the Rights Issue.

<b>Date of grant</b>	<b>Number of Shares issuable on the exercise of the outstanding Share Options prior to the Rights Issue</b>	<b>Exercise price per Share prior to the Rights Issue (HK\$)</b>	<b>Adjusted number of Shares issuable on the exercise of the outstanding Share Option after the Rights Issue</b>	<b>Adjusted exercise price per Share after the Rights Issue (HK\$)</b>
17 July 2006	46,500,000	0.21	144,167,286	0.067733813
13 September 2006	<u>16,800,000</u>	0.15	<u>52,086,245</u>	0.048381295
Total	<u>63,300,000</u>		<u>196,253,531</u>	

In accordance with the terms of the Warrants, the subscription price of the outstanding Warrants have been adjusted (the “Warrant Adjustment”) in the following manner as a result of the Rights Issue.

<b>Date of issue</b>	<b>Amount of Warrants (HK\$)</b>	<b>Subscription price prior to the Rights Issue (HK\$)</b>	<b>Adjusted subscription after the Rights Issue (HK\$)</b>
19 May 2006	<u>32,000,000</u>	<u>0.20</u>	<u>0.07</u>

The Company’s independent financial adviser, Menlo Capital Limited, has checked the accuracy of the computation of the (i) Share Option Adjustments pursuant to Rule 17.03(13) of the Listing Rules and by reference to the terms of the Share Option Scheme and the Supplementary Guidance; and (ii) Warrant Adjustment by reference to the terms and conditions of the Warrants and it has come to a conclusion that the adjustments are fair and reasonable. Separate notification regarding the Share Option Adjustments and the Warrant Adjustment will be sent to the holders of the Share Options and Warrants respectively.

By Order of the Board  
**Capital Estate Limited**  
**Chu Nin Yiu, Stephen**  
*Executive Chairman*

Hong Kong, 12 March 2007

*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.