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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)

SPECIAL DEAL AND DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement dated 16 April 2009 issued by the Company with regard to, among other things, the Subscription and the Whitewash Waiver.

Since the use of proceeds from the Subscription as repayment of indebtedness of the Company to one of the Hotel Fortuna Vendors constitutes a special deal under Note 5 to Rule 25 of the Takeovers Code, an application will be made to the Executive for a special deal consent.

As additional time is required to finalise certain information, including but not limited to, the indebtedness position of the Group as at 31 March 2009 in the Circular, the Company has applied to the Securities and Futures Commission and the Stock Exchange for a waiver from compliance with the relevant requirements set out in the Takeovers Code and the Listing Rules and to postpone the latest date to despatch of the Circular from 7 May 2009 to on or before 30 May 2009.

Reference is made to the announcement of the Company dated 16 April 2009 with regard to, among other things, the Subscription and the Whitewash Waiver (the “Announcement”). Unless otherwise defined therein, terms used herein shall have the same meanings as those defined in the Announcement.

SPECIAL DEAL

Since the publication of the Announcement, it has come to the attention of the Company that a shareholder of one of the Hotel Fortuna Vendors, namely Upper Way Holdings Limited (“Upper Way”), had interests in the Shares as at the date of the Announcement. In particular, Upper Way is beneficially owned by Mr. Lai Kin Hak (“Mr. Lai”), Mr. Tang Fung and Mr. Xiao De Wei as to 41.7%, 41.7% and 16.6%, respectively, and as at the date of the Announcement, while Mr. Tang Fung and Mr. Xiao De Wei did not hold any Shares, Mr. Lai together with his spouse held a total of 6,310,000 Shares (representing approximately 0.047% of the issued share capital of the Company). Accordingly, the use of proceeds from the Subscription as repayment of indebtedness of the Company to Upper Way constitutes a special deal under Note 5 to Rule 25 of the Takeovers Code (the “Special Deal”).

An application will be made to the Executive for a special deal consent, which if granted by the Executive, will be subject to the approval of the Independent Shareholders at the EGM on which voting shall be taken by poll and the independent financial adviser publicly stating in its opinion that the terms of the Special Deal are fair and reasonable.

The Concert Group, Mr. Lai Kin Hak and their respective associates, and the Directors will abstain from voting on the resolution to approve the Subscription, the Whitewash Waiver and the Special Deal at the EGM.

DELAY IN DESPATCH OF CIRCULAR

Pursuant to Rule 8.2 of the Takeovers Code and Rule 14A.49 of the Listing Rules, the Company is required to despatch a circular to Shareholders in respect of the Subscription, the Whitewash Waiver and the Special Deal (the “Circular”) within 21 days from the date of publication of the Announcement, i.e. no later than 7 May 2009.

As additional time is required to finalise certain information, including but not limited to, the indebtedness position of the Group as at 31 March 2009 in the Circular, the Company has applied to the Securities and Futures Commission and the Stock Exchange for a waiver from compliance with the relevant requirements set out in the Takeovers Code and the Listing Rules and to postpone the latest date to despatch of the Circular from 7 May 2009 to on or before 30 May 2009.

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

Hong Kong, 6 May 2009

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.

The Directors 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, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any such statements in this announcement misleading.