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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)

PROPOSED SHARE CONSOLIDATION AND REFRESHMENT OF SCHEME MANDATE LIMIT OF SHARE OPTION SCHEME

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.10 each. The necessary resolution in respect of the Share Consolidation will be considered and, if thought fit, approved at the EGM.

The Company also intends to put forward the proposal for the refreshment of the Scheme Mandate Limit for approval by Shareholders at the EGM.

A circular containing, amongst other things, details of the Share Consolidation and the refreshment of Scheme Mandate Limit together with the notice of EGM will be despatched to the Shareholders as soon as practicable.

SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.10 each. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Currently, the Shares are traded on the main board of the Stock Exchange in board lot size of 5,000 Shares. After the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 5,000 Consolidated Shares.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company amounts to HK\$2,000,000,000 divided into 200,000,000,000 Shares, of which 21,483,896,896 Shares have been allotted and issued or repurchased as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and on the basis that no further Shares will be allotted and issued prior thereto, the authorised share capital of the Company will become HK\$2,000,000,000 divided into 20,000,000,000 Consolidated Shares, of which 2,148,389,689 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

As at the date of this announcement, there are no outstanding share options under the Share Option Scheme. As such, no share option will be affected by the Share Consolidation.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM for approving the Share Consolidation; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares.

Reasons for the Share Consolidation

The Share Consolidation will increase the nominal value of the Shares. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange and the Board believes that it may attract more investors and extend the shareholder base of the Company. The Board therefore believes that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint an agent to stand in the market to provide matching services for the odd lots of Consolidated Shares on a best effort basis. Further details in respect of the odd lots matching arrangement will be set out in the circular to be despatched by the Company to the Shareholders.

Exchange of Share Certificates

Subject to the Share Consolidation becoming effective, which is expected to be on 10 May 2010, Shareholders may, on or after 10 May 2010 until 17 June 2010 (both days inclusive) submit share certificates for existing Shares to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for certificates of the Consolidated Shares (on the basis of ten (10) existing Shares for one (1) Consolidated Share). Thereafter, certificates of Shares will remain effective as documents of title but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) per existing share certificate cancelled or new share certificate issued (whichever is the higher) by Shareholders.

Expected Timetable

The expected timetable for implementation of the Share Consolidation and the associated trading arrangements is set out below:

2010

Despatch of circular in relation to the Share Consolidation and the refreshment of Scheme Mandate Limit	Monday, 19 April 2010
Latest time for lodging proxy forms for the EGM	9:30 a.m., Wednesday, 5 May 2010
EGM	9:30 a.m., Friday, 7 May 2010
Publication of announcement of the result of EGM in respect of the Share Consolidation	not later than 11:00 p.m., Friday, 7 May 2010
Effective date of the Share Consolidation	Monday, 10 May 2010
Dealings in Consolidated Shares commence	9:30 a.m., Monday, 10 May 2010
Free exchange of existing share certificates for new share certificates commences	Monday, 10 May 2010
Original counter for trading in Shares in board lots of 5,000 Shares temporarily closes	9:30 a.m., Monday, 10 May 2010
Temporary counter for trading in Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) opens	9:30 a.m., Monday, 10 May 2010
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares	9:30 a.m., Tuesday, 25 May 2010
Original counter for trading in Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates) reopens	9:30 a.m., Tuesday, 25 May 2010

Parallel trading in Consolidated Shares in the form of new share certificates and existing share certificates commences 9:30 a.m., Tuesday, 25 May 2010

Temporary counter for trading in Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) closes 4:00 p.m., Monday, 14 June 2010

Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares Monday, 14 June 2010

Parallel trading in Consolidated Shares in the form of new share certificates and existing share certificates closes Monday, 14 June 2010

Last day for free exchange of existing share certificates for new share certificates Thursday, 17 June 2010

Note: All times and dates refer to Hong Kong local time and dates. If there are any changes to the timetable above, a further announcement will be made by the Company.

REFRESHMENT OF SCHEME MANDATE LIMIT

The Company intends to put forward the proposal for the refreshment of the Scheme Mandate Limit for approval by Shareholders at the EGM.

GENERAL

The Group is principally engaged in property rental, financial investment, property development and sales, and hotel operations.

A circular containing, amongst other things, details of the Share Consolidation and the refreshment of Scheme Mandate Limit together with the notice of EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Capital Estate Limited, a company incorporated in Hong Kong with limited liability, and the shares of which are listed on the main board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“Directors”	the directors of the Company

“EGM”	the extraordinary general meeting of the Company to be convened and held for approving, amongst other things, the Share Consolidation and the refreshment of Scheme Mandate Limit
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Scheme Mandate Limit”	the Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every ten (10) Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.10 each
“Share Option Scheme”	the share option scheme adopted by the Company on 30 December 2002
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Capital Estate Limited
Sio Tak Hong
Chairman

Hong Kong, 13 April 2010

As at the date of this announcement, the Board comprises Mr. Sio Tak Hong, 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.