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If you have sold or transferred all your securities in **Capital Estate Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice of the Annual General Meeting of the Company to be held at Boardroom 3 & 4, Mezzanine Level, Renaissance Harbour View Hotel, 1 Harbour Road, Wan Chai, Hong Kong on 20 December 2005 at 9:00 a.m. is set out on pages 12 to 15 of this circular. A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed. Whether or not you intend to attend and vote at the Annual General Meeting in person, please complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the share registrars of the Company, Computershare Hong Kong Investor Services Limited of 46/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

25 November 2005

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at Boardroom 3 & 4, Mezzanine Level, Renaissance Harbour View Hotel, 1 Harbour Road, Wan Chai, Hong Kong on 20 December 2005 at 9:00 a.m., or any adjournment thereof
“Articles”	the articles of association of the Company
“associates”	has the same meaning ascribed to it under the Listing Rules
“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
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Issue Mandate”	a general mandate to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution in relation thereof
“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
“Latest Practicable Date”	23 November 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Repurchase Mandate”	authority to repurchase the fully paid up Shares of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution in relation thereof
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



CAPITAL ESTATE LIMITED 冠中地產有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 193)

Executive Directors:

Mr. Chu Nin Yiu, Stephen (*Executive Chairman*)

Mr. Chu Nin Wai, David (*Deputy Chairman*)

Mr. Lau Chi Kan, Michael

Independent Non-Executive Directors:

Mr. Li Sze Kuen, Billy

Mr. Wong Kwong Fat

Mr. Leung Kam Fai

Registered office:

Unit 1901, 19th Floor

Asia Orient Tower, Town Place

33 Lockhart Road

Wan Chai

Hong Kong

25 November 2005

To the Shareholders

Dear Sir/Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain ordinary and special resolutions to be proposed at the Annual General Meeting to enable you to make an informed decision on whether to vote for or against those resolutions.

At the Annual General Meeting, resolutions, amongst others, will be proposed for the Company to approve (i) the proposed granting of the Repurchase Mandate and the Issue Mandate to the Directors; and (ii) the re-election of retiring Directors.

LETTER FROM THE BOARD

GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES

General mandate to repurchase Shares

At the Annual General Meeting, ordinary resolution no. 4 will be proposed that the Directors be given the Repurchase Mandate. Under the Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed 10% of the issued and fully paid up share capital of the Company as at the date of passing of the resolution. The Company's authority is restricted to repurchase Shares of the Company on the market in accordance with the Listing Rules. The mandate allows the Company to make repurchases only during the period ending on the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by the Articles or any applicable law of Hong Kong or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed ordinary resolution for the grant of the Repurchase Mandate at the Annual General Meeting.

General mandate to issue new Shares

At the Annual General Meeting, ordinary resolution no. 5 will be proposed that the Directors be given the Issue Mandate in order to ensure flexibility and discretion to the Directors to issue new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the resolution.

As at the Latest Practicable Date, the Company had 264,931,468 Shares in issue or an issued share capital of HK\$264,931,468. Subject to the passing of the proposed ordinary resolution no. 5 and on the basis that no further Shares is issued, allotted or repurchased by the Company prior to the Annual General Meeting, the exercise of the Issued Mandate in full would result in up to 52,986,293 Shares, representing the share capital of HK\$52,986,293, being issued by the Company during the period prior to the next annual general meeting of the Company.

Subject to the passing of the aforesaid ordinary resolutions nos. 4 and 5, resolution no. 6 will also be proposed to extend the Issue Mandate by adding to it the number of such Shares repurchased under the Repurchase Mandate.

RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of three executive directors, namely Mr. Chu Nin Yiu, Stephen, Mr. Chu Nin Wai, David and Mr. Lau Chi Kan, Michael, and three independent non-executive directors, namely Mr. Li Sze Kuen, Billy, Mr. Wong Kwong Fat and Mr. Leung Kam Fai.

LETTER FROM THE BOARD

Pursuant to article 94 of the Articles, all of the above directors shall retire from office at the Annual General Meeting and shall be eligible for re-election. As required by the Listing Rules, details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out on pages 12 to 15 of this circular. At the Annual General Meeting, in addition to the ordinary business of the meeting, resolutions will be proposed to approve the Issue Mandate and the Repurchase Mandate.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 46/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as practicable but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 74 of the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll (before or on the declaration of the result of the show of hands or on withdrawal of any other demand for a poll) is demanded:

- (a) by the Chairman of the meeting; or
- (b) by at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person or by proxy or in the case of a Shareholder being a corporation by its duly authorised representative representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person or by proxy or in the case of a Shareholder being a corporation by its duly authorised representative and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular includes particulars which are given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors consider that the proposed granting of the Repurchase Mandate and the Issue Mandate to the Directors are in the best interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting in respect thereof.

Yours faithfully,
By order of the Board of
CAPITAL ESTATE LIMITED
Chu Nin Yiu, Stephen
Executive Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions.

LISTING RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders' approval

All proposed repurchases of shares on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval.

(b) Source of funds

Repurchases of shares must be funded entirely from the company's available cashflow or working capital facilities and will be made out of funds legally available for such purpose in accordance with the company's memorandum and articles of association and the laws of Hong Kong.

REASONS FOR SHARES REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders to continue to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

SHARE CAPITAL

As at the Latest Practicable Date, the Company had 264,931,468 Shares in issue or an issued share capital of HK\$264,931,468.

Subject to the passing of the proposed ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares is issued, allotted or repurchased by the Company prior to the Annual General Meeting, the exercise of the Repurchase Mandate in full would result in up to 26,493,146 Shares, representing the share capital of HK\$26,493,146, being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution referred to herein to the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

FUNDING OF REPURCHASE

In repurchasing the Shares, the Company may only apply funds entirely from the Company's available cashflow or working capital facilities and will be made out of funds legally available for such purpose in accordance with its memorandum and Articles and the applicable laws of Hong Kong.

It is envisaged that the funds required for any repurchase of Shares would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company.

There might be a material adverse impact on the working capital or gearing level of the Company as compared with the position disclosed in its most recent published audited accounts as at 31 July 2005, in the event that the Repurchase Mandate was exercised in full at any one time. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or gearing level of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

DISCLOSURE OF INTERESTS

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No connected person has notified the Company that he/she has a present intention to sell any Shares to the Company nor has undertaken not to sell any of the Shares held by him/her to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Hong Kong.

EFFECT OF THE TAKEOVERS CODE

If, as a result of Shares repurchase by a company, a shareholder's proportionate interest in the voting rights of the company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

APPENDIX I**EXPLANATORY STATEMENT
FOR THE REPURCHASE MANDATE**

As at the Latest Practicable Date, to the best of the knowledge of the Directors, the following are Shareholders interested in 5% or more of the issued Shares as recorded in the register of interests in shares and short position of the Company under Section 336 (1) of Part V of SFO:

Long position in Shares

Name	Capacity	Number of Shares	Percentage of Shareholding
Supervalue Holdings Limited (<i>Note 1</i>)	Beneficial owner	42,993,200	16.23%
Chu Nin Yiu, Stephen (<i>Note 1</i>)	Interest in controlled corporation	42,993,200	16.23%
Mark Profit Development Limited (<i>Note 2</i>)	Beneficial owner	33,286,100	12.56%
Easyknit Properties Holdings Limited (<i>Note 2</i>)	Interest in controlled corporation	33,286,100	12.56%
Easyknit International Holdings Limited (<i>Note 2</i>)	Interest in controlled corporation	33,286,100	12.56%
Magical Profits Limited (<i>Note 2</i>)	Interest in controlled corporation	33,286,100	12.56%
Accumulate More Profits Limited (<i>Note 2</i>)	Interest in controlled corporation	33,286,100	12.56%
Trustcorp Limited (<i>Note 2</i>)	Trustee	33,286,100	12.56%
Lui Yuk Chu (<i>Note 2</i>)	Beneficiary of a trust	33,286,100	12.56%
Koon Wing Yee (<i>Note 2</i>)	Spouse	33,286,100	12.56%
Finnex Limited (<i>Note 3</i>)	Beneficial owner	22,063,247	8.33%
Impetus Holdings Limited (<i>Note 3</i>)	Interest in controlled corporation	22,063,247	8.33%
Asia Orient Company Limited (<i>Note 3</i>)	Interest in controlled corporation	22,063,247	8.33%
Asia Orient Holdings (BVI) Limited (<i>Note 3</i>)	Interest in controlled corporation	22,063,247	8.33%
Asia Orient Holdings Limited (<i>Note 3</i>)	Interest in controlled corporation	22,063,247	8.33%
Poon Jing (<i>Note 3</i>)	Interest in controlled corporation	22,063,247	8.33%

Notes:

1. The 42,993,000 Shares are beneficially owned by Supervalve Holdings Limited, which is wholly-owned by Mr. Chu Nin Yiu, Stephen.
2. The 33,286,100 Shares are beneficially owned by Mark Profit Development Limited, a wholly-owned subsidiary of Easyknit Properties Holdings Limited which is in turn wholly-owned by Easyknit International Holdings Limited. Easyknit International Holdings Limited is owned as to approximately 36.74% by Magical Profits Limited, a wholly-owned subsidiary of Accumulate More Profits Limited which is in turn wholly-owned by Trustcorp Limited. Trustcorp Limited is the trustee of The Magical 2000 Trust, the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than spouse. Mr. Koon Wing Yee, being the spouse of Ms. Lui Yuk Chu, is deemed to be interested in the 33,286,100 Shares under the SFO.

3. The 22,063,247 Shares are beneficially owned by Finnex Limited, a wholly-owned subsidiary of Impetus Holdings Limited which is in turn wholly-owned by Asia Orient Company Limited. Asia Orient Company Limited is a wholly-owned subsidiary of Asia Orient Holdings (BVI) Limited, which is in turn wholly-owned by Asia Orient Holdings Limited. As Mr. Poon Jing is interested in approximately 32.11% of Asia Orient Holdings Limited, he is deemed to be interested in the 22,063,247 Shares under the SFO.

To the best of knowledge of the Directors, in the event that the Directors exercise the power under the Repurchase Mandate in full, the percentage of shareholding of:—

- (a) Supervalue Holdings Limited and Mr. Chu Nin Yiu, Stephen will be increased to approximately 18.03%;
- (b) Mark Profit Development Limited, Easyknit Properties Holdings Limited, Easyknit International Holdings Limited, Magical Profits Limited, Accumulate More Profits Limited, Trustcorp Limited, Ms. Lui Yuk Chu and Mr. Koon Wing Yee will be increased to approximately 13.96%; and
- (c) Finnex Limited, Impetus Holding Limited, Asia Orient Company Limited, Asia Orient Holdings (BVI) Limited, Asia Orient Holdings Limited and Mr. Poon Jing will be increased to approximately 9.26%.

The Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to the extent that it will trigger the obligation under Rule 26 of the Takeovers Code to make a mandatory offer nor to such extent as to reduce the amount of Shares held by the public to less than 25%.

SHARE REPURCHASES BY THE COMPANY

The Company did not repurchase any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:—

	Price per Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2004		
December	1.4000	1.1000
2005		
January	1.6000	1.2000
February	1.3000	1.2000
March	1.3000	1.2000
April	1.5000	1.2000
May	1.5000	1.3000
June	1.4000	1.3000
July	1.3000	1.2000
August	1.3000	1.0000
September	1.2000	1.0000
October	2.5750	0.9400
November (up to Latest Practicable Date)	3.8500	1.8000

Biographical details of Directors, who are subject to retirement and re-election at the Annual General Meeting, are as follows:

Executive Directors

Chu Nin Yiu, Stephen, aged 48, is an executive Director, Chairman of the Company. He was appointed to the Board in May 2005. He has over 25 years' business and management experience in the electronics industry in Hong Kong, and was a director and shareholder of a company listed overseas principally engaged in the manufacture and distribution of electronic products. During the past 5 years, he has been focusing on property investment and development in Macau. Mr. Stephen Chu was a 1994 Awardee Member of Hong Kong Young Industrialists Council Limited, and a director of Tung Wah Group of Hospitals for the year 2001/02. His elder brother, Mr. Chu Nin Wai, David, is also an executive director of the Company. Save as disclosed above, Mr. Stephen Chu does not hold any directorship in other listed public companies in the last three years, and he has no relationship with any other directors, senior management, substantial or controlling shareholders of the Company. Mr. Stephen Chu is a substantial shareholder of the Company. As at the Latest Practicable Date, Supervalve Holdings Limited, a company of which he is the sole shareholder and director, owns 42,993,200 Shares beneficially, representing 16.23% of the issued shares of the Company. Mr. Stephen Chu is therefore deemed to be interested in these Shares. During the year ended 31 July 2005, he received a total emolument of HK\$753,000, which was determined by reference to his experience, responsibilities, contribution and remuneration level in the industry. Mr. Stephen Chu currently does not have any service contract with the Company or any of its subsidiaries.

Chu Nin Wai, David, aged 51, is an executive Director, Deputy Chairman of the Company. He was appointed to the Board in May 2005. He has over 20 years' extensive experience in the electronic industry in Hong Kong and overseas, and also has experience in property development and investment. He is the elder brother of the Executive Chairman and the substantial shareholder of the Company, Mr. Chu Nin Yiu, Stephen. Mr. David Chu does not have any directorship in other listed public companies in the last three years. Save as disclosed above, Mr. David Chu does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. David Chu does not hold any interests in the shares of the Company within the meaning of Part XV of the Securities and Companies Ordinance. There is currently no service contract between Mr. David Chu and the Company or any of its subsidiaries, and he did not receive any emolument during the year ended 31 July 2005.

Lau Chi Kan, Michael, aged 49, graduated from Simon Fraser University, Vancouver, Canada in 1980 with a Bachelor of Arts degree in Economics. Mr. Lau joined the Board in May 2005, who has over 20 years' business and management experience in the clothing industry. He owns and manages a garment merchandising and trading company in Hong Kong and an apparel importing company in the U.S. with annual turnover of approximately HK\$220 million and US\$80 million respectively. Mr. Lau is also the major shareholder of a number of companies in Hong Kong and overseas, which are engaged in garment manufacturing, importing, warehousing, apparel design or merchandizing. There is no service contract between Mr. Lau and the Company or any of its subsidiaries, and he did not receive any emolument during the year ended 31 July 2005. Mr. Lau has no relationship with any directors, senior management, substantial or controlling shareholders of the Company, and he does

not have any directorship in other listed public companies in the last three years. As at the Last Practicable Date, Mr. Lau did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Independent Non-Executive Directors

Li Sze Kuen, Billy, aged 58, was appointed to the Board in May 2005. He has extensive professional experience in audit and accounting, and is currently a director of a CPA firm in Hong Kong. Mr. Li is a member of the Canadian Institute of Chartered Accountants, and the Hong Kong Institute of certified Public Accountants. He graduated from the University of Manitoba, Canada, with a Bachelor of Arts degree. Mr. Li does not have any directorship in other listed public companies in the last three years, and has no relationship with any directors, senior management, substantial or controlling shareholders of the Company. Mr. Li has not entered into any service contract with the Company or any of its subsidiaries, and he did not receive any director's fee during the year ended 31 July 2005. As at the Last Practicable Date, he did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Wong Kwong Fat, aged 50, was appointed to the Board in June 2005. He is a seasoned manager of an insurance broking company in Hong Kong. He is responsible for staff management and training, the provision of individual financial advice to clients and the marketing of a wide range of products including life and general insurance, package fund and mandatory provident fund. Mr. Wong has over 20 years' specialized knowledge and experience in the insurance industry, and is a Fellow Chartered Financial Practitioner of the Life Underwriter Association of Hong Kong. Mr. Wong has no relationship with any directors, senior management, substantial or controlling shareholders of the Company, and he does not hold any directorship in other listed public companies in the last three years. As at the Last Practicable Date, Mr. Wong did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract between Mr. Wong and the Group. During the year ended 31 July 2005, he did not receive any director's fee.

Leung Kam Fai, aged 44, was appointed to the Board in June 2005. He is a solicitor of the High Court of Hong Kong. Mr. Leung currently is a partner solicitor in civil and criminal practice with Messrs. Patrick Wong & Co., Solicitors, and has extensive experience in litigation, conveyancing, commercial and probate matters. Mr. Leung graduated from the University of Hong Kong with a bachelor of laws degree, and was awarded the Sir Man Kam Lo/Jardine Scholarship and Downey Book Prize in 1989. He also holds a bachelor of arts degree in Economics & Political Science from the University of Washington in the U.S.A. and a postgraduate certificate in laws from the University of Hong Kong. Mr. Leung does not have any directorship in other listed public companies in the last three years. He has no relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Last Practicable Date, Mr. Leung did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Currently, he does not have any service contract with the Company or any of its subsidiaries and did not receive any director's fee during the year ended 31 July 2005.

Saved as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the shareholders of the Company in respect of the above Directors.

NOTICE OF ANNUAL GENERAL MEETING



CAPITAL ESTATE LIMITED 冠中地產有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 193)

NOTICE IS HEREBY GIVEN that the annual general meeting of CAPITAL ESTATE LIMITED (the “Company”) will be held at Boardroom 3 & 4, Mezzanine Level, Renaissance Harbour View Hotel, 1 Harbour Road, Wan Chai, Hong Kong on 20 December 2005 at 9:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the report of the Directors, audited financial statements and auditors’ report for the year ended 31 July 2005;
2. To re-elect retiring directors and to authorise the board of Directors to fix the remuneration of the Directors; and
3. To re-appoint auditors and to authorise the board of Directors to fix the remuneration of the auditors.

AS SPECIAL BUSINESS

4. To consider and, if thought fit, pass with or without modifications, the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to purchase issued shares of HK\$1.00 each in the capital of the Company subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the directors;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of the shares which are authorised to be purchased by the Directors pursuant to the approval in paragraph (a) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Company’s articles of association to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”

5. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval granted in paragraph (a), otherwise than pursuant to (i) a Rights Issue, or (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

“Relevant Period” shall have the same meaning as that ascribed to it under resolution no. 4 as set out in the notice convening the meeting of which this resolution forms part; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of the resolutions nos. 4 and 5 as set out in the notice convening the meeting of which these resolutions form part, the general mandate granted to the Directors pursuant to the resolution no. 5 as set out in the notice convening the meeting of which this resolution forms part be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company under the authority granted pursuant to the resolution no. 4 as set out in the notice convening the meeting of which this resolution forms part, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

Yours faithfully,
By order of the Board of
CAPITAL ESTATE LIMITED
Chu Nin Yiu, Stephen
Executive Chairman

Hong Kong, 25 November 2005

Registered office:

Unit 1901, 19th Floor
Asia Orient Tower, Town Place
33 Lockhart Road
Wan Chai
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes :

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 46/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding of the above meeting or any adjournment thereof.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or at any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote, in respect thereof.
7. The register of members will be closed from Thursday, 15 December 2005 to Tuesday, 20 December 2005, both dates inclusive, during which period no transfer of shares will be registered. In order to determine the identity of members who are entitled to attend and vote at the Annual General Meeting to be held on Tuesday, 20 December 2005, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:00 p.m. on Wednesday, 14 December 2005.

As of the date hereof, the board of directors of the Company 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.