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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)

- (1) PROPOSED RIGHTS ISSUE  
ON THE BASIS OF ONE RIGHTS SHARE  
FOR EVERY TWO SHARES HELD  
ON THE RECORD DATE;**
- (2) CLOSURE OF REGISTER OF MEMBERS;  
AND**
- (3) CHANGE IN BOARD LOT SIZE**

**Joint Financial Advisers to the Company**



**結好證券有限公司**  
GET NICE SECURITIES LIMITED

**WALKER CAPITAL**

睿 嘉 資 本

**Underwriter of the Rights Issue**



**結好證券有限公司**  
GET NICE SECURITIES LIMITED

### **RIGHTS ISSUE**

The Company proposes to raise approximately HK\$185.1 million before expenses by way of the Rights Issue of 1,233,917,064 Rights Shares at the Subscription Price of HK\$0.15 per Rights Share payable in full on acceptance on the basis of one Rights Share for every two Shares in issue and held on the Record Date.

The Rights Issue is not available to the Non-Qualifying Shareholders.

The estimated net proceeds of the Rights Issue will be approximately HK\$181.7 million. The Company intends to apply such net proceeds from the Rights Issue for business development and general working capital of the Group.

## **IRREVOCABLE UNDERTAKINGS FROM THE CONCERT GROUP AND THE UNDERWRITING AGREEMENT**

As at the date of this announcement, the Concert Group together held an aggregate of 1,275,203,400 Shares, representing approximately 51.67% of the issued share capital of the Company.

Pursuant to the Concert Group Undertakings, each member of the Concert Group has irrevocably undertaken to the Company and the Underwriter, inter alia, that he/she/it (a) will subscribe the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by him/her/them pursuant to the terms of the Rights Issue; (b) will not dispose the Shares held by he/she/it from the date of the Concert Group Undertakings to the close of business on the Record Date; and (c) will lodge acceptances in respect of the aforesaid Rights Shares lodge with the Registrar or the Company, with payment in full therefor in cash (whether by cheque, bank cashier's order or such other form as the Company may approve), by no later than 4:00 p.m. on the latest date for acceptance of the Rights Shares as specified by the Company or such later date as the Company may agree.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe and/or procure subscribers to subscribe for all Underwritten Rights Shares, subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfillment of the conditions contained therein.

**The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out in the section headed "Conditions of the Rights Issue" in this announcement below. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed.**

### **CHANGE IN BOARD LOT SIZE**

The Board proposes that, subject to the completion of the Rights Issue, the board lot size of the Shares for trading on the Stock Exchange will be changed from 5,000 Shares to 15,000 Shares with effect from 9:00 a.m. on Friday, 3 July 2015. The Company will arrange odd lot matching services in order to facilitate the trading of odd lots (if any).

### **GENERAL**

As the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders under the Listing Rules.

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Posting Date and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

## **RIGHTS ISSUE**

### **Issue statistics**

Basis of the Rights Issue	:	one Rights Share for every two Shares held on the Record Date
Number of Shares in issue as at the date of this announcement	:	2,467,834,129 Shares
Number of Rights Shares	:	1,233,917,064 Rights Shares
Subscription Price	:	HK\$0.15 per Rights Share

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

The 1,233,917,064 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the Company's issued share capital as at the date of this announcement and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the 1,233,917,064 Rights Shares.

### **Qualifying Shareholders**

The Company will send the Prospectus Documents to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must lodge any transfers of Shares (together with the relevant share certificates) 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, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 3 June 2015.

### **Closure of register of members**

For determining the entitlements to the Rights Issue, the register of members of the Company will be closed from Thursday, 4 June 2015 to Monday, 8 June 2015, both dates inclusive. No transfer of Shares will be registered during this period.

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

If, at the close of business on the Record Date, a Shareholder's address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Rights Issue. The Board will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiries, the Board is of the opinion that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders on the Posting Date. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid to the Non-Qualifying Shareholders pro rata to their shareholding on the Record Date and to be sent to them, at their own risk, in Hong Kong dollars as soon as practicable. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by the Qualifying Shareholders.

### **Subscription Price**

The Subscription Price for the Rights Shares is HK\$0.15 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 34.50% to the closing price of HK\$0.229 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 26.11% to the theoretical ex-rights price of approximately HK\$0.203 per Share based on the closing price of HK\$0.229 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of approximately 35.62% to the average closing price of approximately HK\$0.233 per Share for the five consecutive trading days ended on the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares prior to the Last Trading Day. The Directors consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.147.

## **Basis of provisional allotment**

The basis of the provisional allotment shall be one Rights Share for every two Shares in issue and held on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with the remittance for the Rights Shares being applied for.

## **Fractions of Rights Shares**

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s). Any unsold fractions of Rights Shares will be made available for excess application.

## **Status of the Rights Shares**

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

## **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, for any Rights Shares provisionally allotted but not accepted and for any unsold Rights Shares arising from the aggregation of fractional entitlement.

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis. Subject to availability of the excess Rights Shares, the excess Rights Shares will be allocated to those who have applied for excess Rights Shares on a fair and equitable basis as far as practicable on the following principles:–

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their nil-paid Rights Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (ii) subject to the availability of excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the excess Rights Shares applied for by them.

In applying the principles in (i) and (ii) above, reference will only be made to the number of excess Rights Shares being applied for. No reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company at the close of business on the Record Date. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Wednesday, 3 June 2015.

### **Share certificates and refund cheques for Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on Thursday, 2 July 2015. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on Thursday, 2 July 2015 by ordinary post to the applicants at their own risk.

Applicant(s) will receive one share certificate for all the Rights Shares issued to him/her/it/them.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Nil-paid Rights Shares will be traded in board lots of 5,000 Shares (as the Shares are currently traded on the Stock Exchange in board lots of 5,000 Shares), but fully-paid Rights Shares will be traded in board lots of 15,000 Shares (upon change in board lot size becoming effective at 9 a.m. on 3 July 2015). Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions being fulfilled:

- (i) the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong respectively on or prior to the Posting Date of one copy of each of the Prospectus Documents each duly certified in compliance with section 38D of the Companies (WUMP) Ordinance (and all other documents required to be attached thereto) and the Listing Rules;



- (ii) the posting on the Posting Date of copies of the Prospectus Documents to the Qualifying Shareholders;
- (iii) compliance by the Company with certain of its obligations under the Underwriting Agreement;
- (iv) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the respective commencement dates for the trading of the nil-paid and fully-paid Rights Shares on the Stock Exchange and the Listing Committee of the Stock Exchange not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the Settlement Date;
- (v) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 10 trading days (other than any suspension pending clearance of this announcement);
- (vi) no indication being received before 4:00 p.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason; and
- (vii) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof.

None of the above conditions is capable of being waived. In the event that the above conditions have not been satisfied on or before the Posting Date (or the relevant dates set out therein) or in the event that the conditions in points (iv) and (vi) above have not been satisfied on or before 4:00 p.m. on the Settlement Date (or such later date as the Underwriter and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and determine and none of the parties shall have any claim against the other (save in respect of any antecedent breaches and claims), and the Rights Issue will not proceed.

### **Irrevocable Undertakings from the Concert Group**

As at the date of this announcement, the Concert Group together held an aggregate of 1,275,203,400 Shares, representing approximately 51.67% of the issued share capital of the Company.

Pursuant to the Concert Group Undertakings, each member of the Concert Group has irrevocably undertaken to the Company and the Underwriter, inter alia, that he/she/it (a) will subscribe the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by him/her/them pursuant to the terms of the Rights Issue; (b) will not dispose the Shares held by he/she/it from the date of the Concert Group Undertakings to the close of business on the Record Date; and (c) will lodge acceptances in respect of the aforesaid Rights Shares lodge with the Registrar or the Company, with payment in full therefor in cash (whether by cheque, bank cashier's order or such other form as the Company may approve), by no later than 4:00 p.m. on the latest date for acceptance of the Rights Shares as specified by the Company or such later date as the Company may agree.

As the date of this announcement, none of the members of the Concert Group has undertaken to apply for excess Rights Shares. As such, any application for excess Rights Shares made, if at all, will be at the discretion of the relevant member.

Save for the irrevocable undertakings as disclosed above, as at the date of this announcement, the Company had not received any information or irrevocable undertakings from other substantial Shareholders of their intention whether or not to take up their entitlements under the Rights Issue.

### **The Underwriting Agreement**

Date	:	14 May 2015
Underwriter	:	Get Nice Securities Limited. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its ultimate beneficial owner(s) is/are independent of, and not connected with the Company and/or its connected persons
Total number of Rights Shares being underwritten by the Underwriter	:	The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares (other than those Rights Shares which the Concert Group has undertaken to take up pursuant to the Concert Group Undertakings) not subscribed by the Qualifying Shareholders on a fully underwritten basis to a maximum extent, being 596,315,364 Rights Shares, subject to the terms and conditions of the Underwriting Agreement
Commission	:	2% of the aggregate Subscription Price of the 596,315,364 Underwritten Rights Shares

The Board considers the terms of the Underwriting Agreement including the commission rate accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

### **Termination of the Underwriting Agreement**

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to 4:00 p.m. on the Settlement Date if there occurs:-

- (i) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or currency (including any disruption to trading generally or trading in any securities of the Company on any stock exchange, or a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict; or
- (iii) any act of God, fire, flood, explosion, epidemic, earthquake, nuclear or natural disaster, war, act of terrorism, riot, public disorder, civil commotion, strike or lock-out; or



- (iv) any suspension or a material limitation in trading in securities generally on the Stock Exchange, or a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong;

and in the absolute opinion of the Underwriter, such change could have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Settlement Date:

- (i) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission could have a material and adverse effect on its business, financial or trading position; or
- (ii) the Underwriter shall receive notification pursuant to the Underwriting Agreement, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue, inaccurate or misleading, or would be untrue, inaccurate or misleading if repeated as provided in the Underwriting Agreement and the Underwriter shall, in its absolute opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue;

the Underwriter shall be entitled (but not bound) by notice in writing to the Company prior to the Settlement Date to terminate the Underwriting Agreement and the obligations of all parties under the Underwriting Agreement shall terminate forthwith.

Upon the giving of notice pursuant to the Underwriting Agreement, all obligations of the Underwriter thereunder shall cease and determine and none of the parties to the Underwriting Agreement shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of any antecedent breaches and claims).

**If the Underwriter exercises above right, the Rights Issue will not proceed.**

## **WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES**

**Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.**

**The Shares are expected to be dealt in on an ex-rights basis from Tuesday, 2 June 2015. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 11 June 2015 to Thursday, 18 June 2015 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.**

**Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**

## CHANGE IN BOARD LOT SIZE

The Shares are currently traded in board lots of 5,000 Shares each and the market value of each board lot is HK\$1,145 (based on the closing price of HK\$0.229 per Share as quoted on the Stock Exchange on the Last Trading Day). In order to increase the value of each board lot of the Shares, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes, subject to the completion of the Rights Issue, to change the board lot size for trading of the Shares from 5,000 Shares to 15,000 Shares with effect from 9:00 a.m. on Friday, 3 July 2015. Based on the closing price of the Shares on the Last Trading Day of HK\$0.229, the estimated value for the new board lot size of 15,000 Shares would be approximately HK\$3,435. The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and the Shareholders as a whole.

In order to facilitate the trading of odd lots (if any), the Company will arrange odd lot matching services during Friday, 3 July 2015 to Thursday, 23 July 2015 (both dates inclusive). Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed. Further details in respect of the odd lots arrangement will be set out in the Prospectus.

## EXPECTED TIMETABLE

The expected timetable for the Rights Issue and the change in board lot size is set out below:

*2015*

Last day of dealings in the Shares on a cum-rights basis . . . . .	Monday, 1 June
Commencement of dealings in the Shares on an ex-rights basis . . . . .	Tuesday, 2 June
Latest time for lodging transfers of Shares to be entitled for Rights Issue . . . . .	4:30 p.m. on Wednesday, 3 June
Register of members closes for determining entitlements under the Rights Issue (both days inclusive) . . . . .	Thursday, 4 June to Monday, 8 June
Record Date . . . . .	Monday, 8 June
Register of members re-opens . . . . .	Tuesday, 9 June
Despatch of the Prospectus Documents . . . . .	Tuesday, 9 June
First day for dealings in nil-paid Rights Shares . . . . .	9:00 a.m. on Thursday, 11 June
Latest time for splitting of nil-paid Rights Shares . . . . .	4:30 p.m. on Monday, 15 June

Last day for dealings in nil-paid Rights Shares . . . . .	4:00 p.m. on Thursday, 18 June
Latest time for acceptance of, and payments for, the Rights Shares and application and payment for excess Rights Shares. . . . .	4:00 p.m. on Tuesday, 23 June
Latest time for the termination of the Underwriting Agreement and the Rights Issue become unconditional . . . . .	4:00 p.m. on Thursday, 25 June
Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company . . . . .	Tuesday, 30 June
Share certificates for fully-paid Rights Shares expected to be posted . . . . .	Thursday, 2 July
Refund cheques for wholly and partially unsuccessful excess applications expected to be posted . . . . .	Thursday, 2 July
Dealings in fully-paid Rights Shares commences . . . . .	9:00 a.m. on Friday, 3 July
Effective date of the change in board lot size from 5,000 Shares to 15,000 Shares . . . . .	9:00 a.m. on Friday, 3 July
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares . . . . .	9:00 a.m. on Friday, 3 July
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares . . . . .	4:00 p.m. on Thursday, 23 July

*Notes:*

1. All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.
2. The proposed change in board lot size is subject to completion of the Rights Issue. If the Rights Issue does not complete, the change in board lot size will not be implemented.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Rights Issue, assuming no new Shares (other than the Rights Shares) will be issued and there is no repurchase of Shares by the Company during the period from the date of this announcement to immediately after completion of the Rights Issue:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue assuming all the Qualifying Shareholders, including the Concert Group, take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholder (other than the Concert Group) takes up any of the Rights Shares and the Underwriter takes up the Rights Shares to the maximum extent	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Concert Group:						
Mr. Sio ( <i>Note 1</i> )						
Ms. Liu (spouse of Mr. Sio)	24,491,000	0.99	36,736,500	0.99	36,736,500	0.99
Fullkeen	861,075,000	34.89	1,291,612,500	34.89	1,291,612,500	34.89
	885,566,000	35.88	1,328,349,000	35.88	1,328,349,000	35.88
Mr. Chu ( <i>Note 2</i> )	357,147,400	14.47	535,721,100	14.47	535,721,100	14.47
Mr. Si	32,490,000	1.32	48,735,000	1.32	48,735,000	1.32
Aggregate holdings of Concert Group	1,275,203,400	51.67	1,912,805,100	51.67	1,912,805,100	51.67
Underwriter ( <i>Note 3</i> )	–	–	–	–	596,315,364	16.11
Public	1,192,630,729	48.33	1,788,946,093	48.33	1,192,630,729	32.22
<b>Total</b>	<b>2,467,834,129</b>	<b>100.00</b>	<b>3,701,751,193</b>	<b>100.00</b>	<b>3,701,751,193</b>	<b>100.00</b>

### Notes:

- Mr. Sio is deemed to be interested in 885,566,000 Shares, which comprises 24,491,000 Shares beneficially owned by Ms. Liu and 861,075,000 Shares held through Fullkeen.
- Mr. Chu is deemed to be interested in 357,147,400 Shares, which comprises 23,700,000 Shares beneficially owned by him and 333,447,400 Shares held through Supervalve.
- The Underwriter has confirmed that none of the ultimate subscribers or purchasers of the Rights Shares will (i) hold 10% or more of the voting rights of the Company immediately after completion of the Rights Issue; and (ii) be parties acting in concert with members of the Concert Group.

## **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Group is principally engaged in property investment and development, hotel operation, financial investment and related activities.

The gross proceeds from the Rights Issue will be approximately HK\$185.1 million and the estimated net proceeds of the Rights Issue will be approximately HK\$181.7 million. The Company intends to apply the net proceeds of the Rights Issue for business development and general working capital of the Group.

The Board considers that the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

## **FUND RAISING EXERCISES OF THE COMPANY**

The Company has not conducted any equity fund raising exercise in the past 12 months immediately preceding the date of this announcement.

## **GENERAL**

As the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders under the Listing Rules.

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Posting Date and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	4:00 p.m. on 23 June 2015 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors

“Business Day”	any day (other than Saturday and Sunday) on which the Stock Exchange is open for business of dealings in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong, as amended or supplemented from time to time
“Company”	Capital Estate Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Concert Group”	Mr. Sio, Ms. Liu, Mr. Chu, Mr. Si, Fullkeen and Supervalue
“Concert Group Undertakings”	the undertakings executed by the Concert Group dated 14 May 2015, inter alia, to accept the provisional allotment of 637,601,700 Rights Shares under the Rights Issue, being their full entitlement under the Rights Issue
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application proposed to be issued to the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“Fullkeen”	Fullkeen Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially owned as to 70% by Mr. Sio and as to 30% by Mr. Si
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	14 May 2015, being the last trading day for the Shares on the Stock Exchange before the publication of this announcement
“Latest Time for Termination”	4:00 p.m. on the second Business Day after the Acceptance Date, or such later time as may be agreed between the Company and the Underwriter
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange



“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chu”	Mr. Chu Nin Yiu, Stephen, Chief Executive Officer and a substantial Shareholder of the Company, who is beneficially interested in approximately 14.47% of the issued share capital of the Company as at the date of this announcement
“Mr. Si”	Mr. Si Tit Sang, who beneficially owns 30% of Fullkeen
“Mr. Sio”	Mr. Sio Tak Hong, Chairman and a substantial Shareholder of the Company, who is beneficially interested in approximately 35.88% of the issued share capital of the Company as at the date of this announcement
“Ms. Liu”	Ms. Liu Yan Xia, also known as “Lao Im Ha”, is the spouse of Mr. Sio
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after marking enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders as mentioned herein, being in such usual form as may be agreed between the Company and the Underwriter
“Posting Date”	9 June 2015 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders
“Prospectus”	the prospectus to be despatched to Shareholders on the Posting Date in connection with the Rights Issue in such form as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders

“Record Date”	8 June 2015 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Rights Issue are to be determined
“Registrar”	the share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue by way of rights of one Rights Share for every two Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	Shares to be issued and allotted under the Rights Issue, being 1,233,917,064 Shares
“Settlement Date”	25 June 2015, being the second Business Day following the Acceptance Date (or such other time or date as the Underwriter and the Company may agree in writing) as the day for settlement of the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.15 per Rights Share
“Supervalue”	Supervalue Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is 100% beneficially owned by Mr. Chu
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Get Nice Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 14 May 2015 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue

“Underwritten Rights Shares” 596,315,364 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement

“%” or “per cent.” percentage or per centum

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

Hong Kong, 14 May 2015

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