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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION FOR SHARES IN THE IPO OF BOCOM INTERNATIONAL HOLDINGS COMPANY LIMITED

On 5 May 2017, the Company placed the Order to subscribe for the Allocated Shares in the IPO of BOCOM International. The maximum amount of the subscription monies payable is US\$9,000,000 (which is equivalent to approximately HK\$70,200,000), exclusive of the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable in connection with such subscription.

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules exceed(s) 5% but are less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 5 May 2017, the Company placed the Order to subscribe for the Allocated Shares in the IPO of BOCOM International.

THE ORDER

Date: 5 May 2017

Parties: (1) the Company
(2) BOCOM International

The Transaction

The Company placed the Order to subscribe for the Allocated Shares in the IPO of BOCOM International. The maximum amount of the subscription monies is US\$9,000,000 (which is equivalent to approximately HK\$70,200,000), exclusive of the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable in connection with such subscription.

The Order is subject to final allocation of the BOCOM International Shares in the IPO of BOCOM International and the Company may or may not be allocated with any BOCOM International Shares in the IPO. The Company will issue a further announcement when the number of the Allocated Shares and the final amount of subscription money payable by the Company has been determined.

Offer Price

As disclosed in the BOCOM International Prospectus, the Offer Price is expected to be between HK\$2.60 and HK\$3.10 per BOCOM International Share.

The total Offer Price payable by the Company shall be determined by multiplying the final number of the Allocated Shares and the final Offer Price plus SFC transaction levy at 0.0027%, the Stock Exchange trading fee at 0.005% and brokerage commission at 1%.

The Company will fund the total Offer Price from its internal resources. The investment in BOCOM International will be accounted for as investments held for trading in the Group's consolidated financial statements.

Completion of the Transaction

Based on the IPO timetable as stated in the BOCOM International Prospectus, the final Offer Price is expected to be determined on or around 11 May 2017 and the date of listing of the BOCOM International Shares on the Stock Exchange is expected to be on or around 19 May 2017. Completion of the Transaction and the payment of subscription monies shall occur on or before the date of listing of the BOCOM International Shares on the Stock Exchange. There are no restrictions on the subsequent sales of the BOCOM International Shares subscribed.

REASONS FOR AND BENEFITS FOR THE TRANSACTION

The Company and its subsidiaries are principally engaged in property development, hotel operation, financial investment and related activities.

The Company from time to time looks at and considers desirable investment opportunities and will make such investment if it is in the interest of the Company to do so. As the Board considers BOCOM International to have a positive prospect, the Board has therefore decided to make such an investment in BOCOM International.

Having considered the above, the Directors consider that the terms of the Order are on normal commercial terms which are fair and reasonable and the entering into of the Order are in the best interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules exceed(s) 5% but are less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION ON BOCOM INTERNATIONAL

The principal business lines of BOCOM International and its subsidiaries comprise securities brokerage and margin financing, corporate finance and underwriting, investment and loans and asset management and advisory.

Details of the business of BOCOM International are set out in BOCOM International Prospectus, which has been published on the website of the Stock Exchange on 5 May 2017.

Set out below is the audited consolidated financial information of BOCOM International for each of the year ended 31 December 2014, 2015 and 2016, which has been extracted from the BOCOM International Prospectus:

	For the year ended 31 December 2014 <i>HKD'000</i>	For the year ended 31 December 2015 <i>HKD'000</i>	For the year ended 31 December 2016 <i>HKD'000</i>
Net profit before taxation	69,296	433,211	403,515
Net profit after taxation	23,677	350,819	350,952

As at 31 December 2014, 2015 and 2016, the audited consolidated net asset value of BOCOM International was approximately HK\$3,302.2 million, HK\$3,644.9 million, and HK\$3,986.1 million respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, BOCOM International and its respective ultimate beneficial owner are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Allocated Shares”	the BOCOM International Shares as shall be allocated to the Company
“Board”	the board of Directors
“BOCOM International”	BOCOM International Holdings Company Limited, a company incorporated under the laws of Hong Kong with limited liability
“BOCOM International Prospectus”	the prospectus dated 5 May 2017 issued by BOCOM International in relation to its IPO
“BOCOM International Share(s)”	the ordinary shares to be issued by BOCOM International, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Stock Exchange
“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 (stock code: 193)
“connected persons”	has the meaning as ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Global Offering”	the global offering comprising of the Hong Kong Public Offering and the International Offering
“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 PRC
“IPO”	initial public offering by way of global offering
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Price”	the offer price for the BOCOM International Shares, which will be a maximum of HK\$3.10 per BOCOM International Share and expected to be not less than HK\$2.60 per BOCOM International Share

“Order”	the order to subscribe for BOCOM International Shares with a total subscription amount not exceeding US\$9,000,000 (equivalent to approximately HK\$70,200,000 placed by the Company on 5 May 2017 to BOCOM International in relation to the Transaction
“percentage ratio(s)”	the percentage ratio(s) calculated based on the requirements under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the proposed subscription of the Allocated Shares by the Company pursuant to the Order
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 5 May 2017

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