



CAPITAL ESTATE LIMITED

冠中地產有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code : 193)

ANNOUNCEMENT

Capital Estate Limited (the "Company") has been informed by Capital Strategic Investment Limited, its substantial shareholder that is interested in approximately 17.63% in the issued share capital of the Company, that on 17 May 2005 it has entered into an agreement with Supervalue Holdings Limited for the sale of 859,864,000 shares ("Sale Shares") in the Company, representing its entire interest in the Company (the "Disposal") for a consideration of approximately HK\$40.41 million. In accordance with Rule 13.09 of the Listing Rules, the Company wishes to inform the public of the Disposal.

The Company has been informed by Capital Strategic Investment Limited, its substantial shareholder that is interested in approximately 17.63% in the issued share capital of the Company, that it has entered into an agreement on 17 May 2005 with Supervalue Holdings Limited ("Supervalue") on the sale of 859,864,000 shares in the Company, representing its entire interest in the Company for a consideration of approximately HK\$40.41 million. The Disposal was completed on 17 May 2005.

After completion of the Disposal, Supervalue became interested in 17.63% of the Company and became a substantial shareholder. Supervalue is a company incorporated in the British Virgin Islands and whose principal activity is holding of such shareholding interests in the Company.

Dato' Choo Yeow Ming and Mr. Chow Hou Man have resigned as the executive chairman and executive director of the Company with effect from 17 May 2005. Each of Dato' Choo Yeow Ming and Mr. Chow Hou Man confirmed that he has no disagreement with the board and has no claim against the Company. There are no other matters that need to be brought to the attention of the board of the Company. Mr. Chu Nin Yiu, Stephen ("Mr. Stephen Chu") has been appointed an executive director and the executive chairman of the Company from 17 May 2005.

The following is a brief summary of the details of Mr. Stephen Chu:

Mr. Stephen Chu, aged 48, has over 25 years business and management experience in the electronic 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 2001/2002.

Mr. Stephen Chu is the sole beneficial owner and sole director of Supervalue. He has no relationship with any directors, senior management, substantial shareholder or controlling shareholder of the Company.

Other than the Sale Shares, as at the date of this announcement, Mr. Chu did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Stephen Chu will serve till the next annual general meeting of the Company and will offer himself for re-appointment in accordance with the articles of association of the Company. Mr. Stephen Chu currently does not have any service contract with the Company or any of its subsidiaries.

Supervalue has indicated to the Company that it has no intention to inject or dispose of any asset or business to or of the Company. It is the intention of Supervalue to hold the Sale Shares in the Company as long term investment and it is also the intention of Supervalue to maintain the listing status of the Company on the main board of The Stock Exchange of Hong Kong Limited. Further announcement will be made by the Company in accordance with the Listing Rules in the event of any change to the nature of the principal business of the Group or any injection or disposal of asset or business to or of the Company.

By Order of the Board of
Capital Estate Limited
Ma Wai Man, Catherine
Company Secretary

Hong Kong, 17 May 2005

As at the date of this announcement, Mr. Stephen Chu, Mr. Ng Kai Man, Luke and Ms. Ma Wai Man, Catherine are the executive directors of the Company and Mr. Miu, Frank H., Mr. Sin Chi Fai and Ms. Ng Yuk Yee, Feona, are the independent non-executive directors of the Company.