

CAPITAL PROSPER LIMITED

興旺行有限公司*

(incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION

DISPOSAL OF THE ENTIRE INTEREST IN MASINDO INTERNATIONAL LIMITED

Bestcorp, a wholly-owned subsidiary of the Company, has agreed to sell its entire interest in Masindo, representing an approximately 90% of the issued share capital of Masindo, to Pakatan Bintang Sdn Bhd for a consideration of HK\$8,500,000.

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing, amongst others, details of the Agreement will be sent to the Shareholders as soon as practicable.

THE AGREEMENT

Date: 22 July 2003

Parties:

Vendor: Bestcorp, a wholly-owned subsidiary of the Company

Purchaser: Pakatan Bintang Sdn Bhd, a company incorporated in Brunei Darussalam. Each of Pakatan Bintang Sdn Bhd and its beneficial shareholder(s) is an independent third party not connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or the associates (as defined in the Listing Rules) of any of them. Pakatan Bintang Sdn Bhd and its beneficial shareholder(s) currently do not hold any shares in the capital of the Company or any securities convertible into such shares.

The Sale Shares:

The 2,063,000 fully-paid ordinary shares of US\$1.00 each in the capital of Masindo, being the entire interest of Bestcorp held in Masindo and representing approximately 90% of the entire issued share capital of Masindo. Upon Completion, Masindo and its subsidiaries will cease to be indirect subsidiaries of the Company and the remaining approximately 10% shareholding interest in Masindo is continued to be held by Mr. Hartono Tjahjadi, an independent third party not connected with any of the directors, chief executives, substantial shareholders of the Company or any of their respective associates (as defined in the Listing Rules) save for his status as a substantial shareholder of Masindo.

As at 31 December 2002, Masindo had a consolidated net asset value of approximately HK\$11,300,000. The principal assets held by Masindo and its subsidiaries are fixed assets for operation of restaurants and bars. As at the date of this announcement, neither Masindo nor any of its subsidiaries owns any real property in any jurisdiction.

The net loss before and after taxation and extraordinary items (if any) attributable to the Sale Shares in respect of the financial year ended 31 December 2002 are HK\$28,291 and HK\$32,633 respectively .

Consideration:

The consideration for the Sale Shares is HK\$8,500,000 payable in cash on Completion, representing an approximately 25% discount to the consolidated net asset value of Masindo as at 31 December 2002. The consideration was arrived after arm’s length negotiation between parties and is on normal commercial terms. Taking into account of the fact that Brewerkz Singapore recorded an unaudited loss of approximately HK\$582,000 for the five months ended 31 May 2003 and the likelihood that such loss will persist due to the doomed prospect of restaurant operations in Singapore, the Directors, including the independent non-executive directors of the Company, are therefore of the view that the consideration for the Disposal is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

Completion date:

On the 10th business day from the date of the Agreement, i.e. 5 August 2003.

REASONS FOR THE DISPOSAL

Masindo and its subsidiaries are principally engaged in the operation of restaurants and bars in Singapore. In view of the slowdown in the growth of catering industry in Singapore, the Directors consider that the prospect of the business of Masindo is not pronouncing and accordingly consider the Disposal a suitable opportunity to realise the Company’s investment in Masindo.

USE OF PROCEEDS

The net proceeds of the Sale Shares in the sum of approximately HK\$8,350,000 will be used as general working capital of the Group.

GENERAL

The Group is principally engaged in food and beverages distribution and securities trading and investment.

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing, amongst others, details of the Agreement will be sent to the Shareholders as soon as practicable.

DEFINITIONS

“Agreement”	the agreement dated 22 July 2003 entered into between Bestcorp and Pakatan Bintang Sdn Bhd in respect of the Disposal
“Board”	the board of Directors
“Bestcorp”	Bestcorp Investment Inc., a company incorporated in the British Virgin Islands with limited liability and which is a wholly-owned subsidiary of the Company
“Brewerkz Singapore”	Brewerkz Singapore Pte Ltd., a private company incorporated in Singapore with limited liability and which is the sole direct wholly-owned subsidiary of Masindo
“Company”	CAPITAL PROSPER LIMITED, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the Agreement
“Directors”	the directors of the Company
“Disposal”	the sale of the Sale Shares pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Masindo”	Masindo International Limited, a private company incorporated in the British Virgin Islands with limited liability and which is an approximately 90%-owned subsidiary of the Company
“Sale Shares”	2,063,000 fully-paid ordinary shares of US\$1.00 each in the capital of Masindo
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board

CAPITAL PROSPER LIMITED

Choo Yeow Ming

Executive Chairman