



6 November 2024

To the Independent Shareholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
SOMERLEY CAPITAL LIMITED
FOR AND ON BEHALF OF CEDARWOOD VENTURES LIMITED TO
ACQUIRE ALL THE ISSUED SHARES IN CAPITAL ESTATE LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY CEDARWOOD VENTURES LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to this Composite Document dated 6 November 2024 issued jointly by the Offeror and the Company of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in this Composite Document unless the context requires otherwise.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to make recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and as to the acceptance of the Offer.

The Independent Financial Adviser has been appointed with our approval to advise us in respect of the terms of the Offer and, in particular, whether the terms of the Offer are fair and reasonable and to make recommendation as to the acceptance of the Offer. Details of its advice and the principal factors considered by it arriving at its advice and recommendation are set out in the "Letter from the Independent Financial Adviser" on pages 24 to 46 of this Composite Document.

We also wish to draw your attention to the “Letter from the Board”, the “Letter from Somerley” and the additional information set out in the appendices of this Composite Document.

RECOMMENDATION

Having considered the terms of the Offer, taking into account the information contained in this Composite Document, and the letter of advice and recommendation from the Independent Financial Adviser, we are of the opinion that the Offer are fair and reasonable so far as the Independent Shareholders are concerned and recommend the Independent Shareholders to accept the Offer.

Independent Shareholders who intend to realise their investments in the Company in whole or in part by accepting the Offer should monitor the Share price, and if the proceeds of selling in the market (net of costs) would be higher than the net proceeds receivable under the Offer, such Independent Shareholders should consider selling their Shares in the open market instead of realising their investment by accepting the Offer.

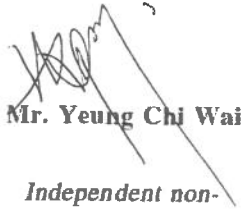
Notwithstanding our recommendations, the Independent Shareholders are strongly advised that their decision to realise or to hold their investment in the Shares depends on their own individual circumstances and investment objectives. If in any doubt, the Independent Shareholders should consult their own professional advisers for professional advice.



Yours faithfully,
For and on behalf of the Independent Board Committee of
Capital Estate Limited



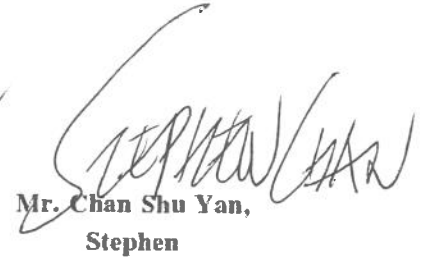
Mr. Hung Ka Hai,
Clement
*Independent non-
executive Director*



Mr. Yeung Chi Wai
*Independent non-
executive Director*



Mr. Wong Kwong
Fat
*Independent non-
executive Director*



Mr. Chan Shu Yan,
Stephen
*Independent non-
executive Director*

