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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)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (the "SFO").

The board of the directors (the "Board") of Capital Estate Limited (the "Company", together with its subsidiaries, the "Group") would like to inform the shareholders of the Company (the "Shareholders") and potential investors that based on information currently available, the Group is expected to record a loss attributable to owners of the Company of not less than HK$28 million for the year ended 31 July 2020 as opposed to the profit in the last financial year.

The spread of COVID-19 has significant negative impact on the economies and the Group's results. In view of the pandemic, the Group had a turnaround from profit to loss in the year ended 31 July 2020 mainly resulted from the slowdown of sale of properties by over 80% and decline in hotel revenue by over 50% due to the suspension of operation of Hotel Fortuna, Foshan since late January 2020 as announced by the Board on 19 February 2020. The profit in the year ended 31 July 2019 was mainly attributable to profit from sales of properties in Foshan and HK$118.0 million recognised in profit or loss, being the total amount of instalments received during the period from Kong Kei Construction Limited pursuant to the two deeds of settlement, details of which are set out in the Company's announcements dated 7 August 2016, 8 August 2016, 26 August 2016, 29 January 2019 and 18 March 2019.

The information contained in this announcement is only based on the preliminary assessment according to figures and information that have not been audited or reviewed by the Company's auditors. Details of the Group's performance for the year ended 31 July 2020 will be finalised and disclosed in its annual results announcement to be issued in October 2020.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By Order of the Board
CAPITAL ESTATE LIMITED
Hung Yat Ming
Company Secretary

Hong Kong, 14 October 2020

As at the date of this announcement, the Board 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.