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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 for the six-month period ended 31 January 2020 as opposed to the profit in the same period in last financial year.

The spread of novel coronavirus pneumonia (COVID-19) has significant negative impact on the economies and the Group’s result. The turnaround from profit to loss in the six-month period ended 31 January 2020 was mainly attributable to the slowdown of sale of properties, decline in hotel revenue and redundant provision of approximately HK\$9.5 million in relation to suspension of operation of Hotel Fortuna, Foshan. The profit in the six-month period ended 31 January 2019 was mainly attributable to HK\$80.0 million recognised in profit or loss, being the 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 7th August, 2016, 8th August, 2016, 26th August, 2016, 29th January, 2019 and 18th 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 six-month period ended 31 January 2020 will be finalised and disclosed in its interim results announcement to be issued in March 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, 16 March 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.