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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)

INSIDE INFORMATION RELATING TO A PARCEL OF LAND IN MACAU

SETTLEMENT

This announcement is made by Capital Estate Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 7 August 2016 and 8 August 2016 relating to a parcel of land in Macau (“**Announcements**”). Terms defined in the Announcements have the same meanings when used in this announcement. As disclosed in the Announcements, under the agreements in relation to the Group’s acquisition of 99% interests in Sun Fat, the vendor has agreed to return to the purchasers the full amounts that it has received (without interest) in cash in the event that the Approval is not obtained before a specified long stop date or if it has become impossible for Sun Fat to obtain the Approval for whatever reason. In light of the Notification, the purchasers, being the Company’s wholly-owned subsidiaries have on 26 August 2016 agreed with the vendor and a warrantor to the vendor that they will repay to the purchasers the full amount that the vendor has received under the original transaction based on the following payment schedule:

On or before	<i>HK\$</i>
31 December 2016	60,000,000
31 December 2017	120,000,000
31 December 2018	<u>118,004,145</u>
Total:	298,004,145

As HK\$21,995,885 out of the total consideration of HK\$320,000,000 under the original acquisition was paid by the Group to Sun Fat at the direction of the vendor, the actual amount paid to the vendor was HK\$298,004,145.

The original agreements provided that such amounts shall be returned in full within three business days. The board of directors of the Company, having considered the time and resources involved in pursuing claims under the original agreements, the financial position of the vendor and its warrantor and the uncertainty with initiating legal proceedings, have decided that agreeing to a deferral of repayment of consideration instead of insisting on the original three business day timeline would be in the best interest of the Company and its shareholders as a whole.

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

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

Hong Kong, 26 August 2016

As of the date hereof, the board of directors of the Company 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.