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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 significant loss for the year ended 31 July 2012.

The expected loss was mainly attributable to write off of the carrying amount of certain property held by the Group at the site of Hotel Fortuna, Foshan, which was demolished during the first half of the financial year according to plan for future development. This loss has already been recognised and disclosed in the unaudited interim result of the Company which was announced on 27 March, 2012. The write off of property is a non-cash item which has no impact on the operation and cash flow of the Group and the financial position of the Group remains healthy.

The information contained in this announcement is only based on the preliminary assessment according to figures and information that have not been audited by the Company's auditors. Details of the Group's performance for the year ended 31 July 2012 will be finalised and disclosed in its annual results announcement to be issued in October 2012.

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, 15 October 2012

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.