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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)

POSITIVE PROFIT ALERT

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 profit attributable to owners of the Company of not less than HK\$4.0 million for the year ended 31 July 2024 (the “**Profit Alert**”), compared to a loss attributable to owners of the Company of HK\$30.0 million for the year ended 31 July 2023.

The turnaround from loss to profit in the year ended 31 July 2024 was mainly attributable to (i) increase in revenue from the Group’s hotel operations and sale of properties; and (ii) share of profit of an associate of over HK\$18.0 million as compared with a share of loss of HK\$1.0 million in last financial year.

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 auditor. Details of the Group’s performance for the year ended 31 July 2024 will be finalised and disclosed in its annual results announcement to be issued in October 2024.

Reference is made to (a) the joint announcement issued by CEDARWOOD VENTURES LIMITED (the “**Offeror**”) and the Company dated 3 September 2024 in relation to, amongst other things, the mandatory unconditional cash offer (the “**Offer**”) to be made by the Offeror to acquire all the issued shares in the Company (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it)(the “**Joint Announcement**”); and (b) the joint announcement issued by the Offeror and the Company dated 24 September 2024 in relation to the delay in despatch of the Composite Document. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

The Profit Alert included in this announcement constitutes a profit forecast under Rule 10 of the Takeovers Code and should therefore be reported on by the Company's financial advisers and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosure of inside information under Rule 13.09(2)(a) of the Listing Rules and pursuant to Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 and Practice Note 2 of the Takeovers Code, if a profit forecast is made during an offer period and is first published in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors on the said profit forecast, in the next document to be sent to the Shareholders by the Company. In the event that any document, for example the Composite Document, is sent to the Shareholders prior to the publication of the annual results announcement for the year ended 31 July 2024, the Profit Alert will be reported on in accordance with Rule 10.4 of the Takeovers Code as soon as reasonably practicable by the Company's financial adviser and its auditors and the relevant reports will be contained in the Composite Document. However, in the event that the annual results of the Company for the year ended 31 July 2024 (to which the Profit Alert relates) which fall within the ambit of Rule 10.9 of the Takeovers Code, are published prior to the despatch of the Composite Document and the relevant results together with the notes to the financial statements are incorporated by reference in the Composite Document, the requirements to report on the Profit Alert under Rule 10.4 of the Takeovers Code will no longer apply.

WARNING: The Profit Alert in this announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on the Profit Alert in assessing the merits and demerits of the Offer. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt about their positions should consult their professional advisers.

By Order of the Board
CAPITAL ESTATE LIMITED
Sio Lai Na
Chairman

Hong Kong, 18 October 2024

As at the date of this announcement, the Board comprises Ms. Sio Lai Na, Mr. Chu Nin Yiu, Stephen as executive directors, Ms. Sio Lai Nga as non-executive director and Mr. Hung Ka Hai, Clement, Mr. Yeung Chi Wai, Mr. Wong Kwong Fat and Mr. Chan Shu Yan, Stephen as independent non-executive directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.