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HARBOUR CENTRE DEVELOPMENT LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 51

PROFIT WARNING

This announcement is made by Harbour Centre Development Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) 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 (Cap. 571, Laws of Hong Kong).

From time to time for well over a year, the Company has been alerting shareholders and investors about the decline of the Group's Development Property ("**DP**") Segment contribution after 2017. The latest alert was included in the Chairman's Statement in the Company's 2017 Annual Report dated 1 March 2018:

"DP contribution has been dominating the Group's financial performance since 2012. It represented over 80% of Group revenue and operating profit, and over 70% of core profit in 2017. Cumulatively, over 95% of the Group's developable GFA has been sold or pre-sold, of which 99% recognised. Completion of the last high-margin project, Suzhou Times City, in 2017 depicts a watershed for contributions to the Group. Shanghai South Station and Suzhou IFS are the only projects that remain in the pipeline. Future contributions can no longer be depended upon."

In addition, that Chairman's Statement also provided an update on the Group's new hotel in Hong Kong as follows:

"The Murray started to serve customers earlier this year and will take some time to build its business. In the meantime, depreciation of both land and building as well as interest cost will weigh on its profitability."

On recent review of the unaudited consolidated management accounts for the first five months of 2018, the board of directors of the Company (the "**Board**") wish to advise shareholders and investors that the Group's core profit (i.e. profit attributable to equity shareholders excluding investment property revaluation differences) for the six months ended 30 June 2018 is expected to decline by more than 70% from the corresponding period in 2017.

The information contained in this announcement is only a preliminary assessment by the Board based on information currently available to it, which was neither reviewed nor audited by the Company's auditors. The Group's results for the six months ended 30 June 2018 are expected to be published in August 2018.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Kevin C. Y. Hui
Director and Company Secretary

Hong Kong, 28 June 2018

As at the date of this announcement, the Board comprises Mr. Stephen T. H. Ng, Hon. Frankie C. M. Yick, Mr. Kevin C. Y. Hui and Mr. Peter Z. K. Pao, together with four Independent Non-executive Directors, namely Dr. Joseph M. K. Chow, Mr. Roger K. H. Luk, Mr. Michael T. P. Sze and Mr. Brian S. K. Tang.