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CENTRAL DEVELOPMENT HOLDINGS LIMITED

中發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 475)

INSIDE INFORMATION – REDUCTION IN LOSS

This announcement is made by Central Development Holdings Limited (the “**Company**”, together with its subsidiaries as 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) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2021 (the “**Current Period**”) and other information currently available to the Board, the Group expects to record a decrease in the net loss attributable to owners of the Company by approximately 12% to 45%, subject to the review by the Company’s independent external auditors, as compared to the net loss attributable to owners of the Company of approximately HK\$8.8 million for the six months ended 30 September 2020 (the “**Previous Period**”). Such decrease in net loss was mainly due to combination of the following: (i) the increase in the gross profit of the Group from approximately HK\$0.6 million in the Previous Period to approximately HK\$3.8 million in the Current Period, mainly due to the revenue contributed by a new subsidiary of the Group located in Chengdu of the People’s Republic of China (the “**PRC**”), which was acquired in March 2021 and the increase in sales of jewelry business of the Group resulting from the gradual recovery in market demand in the PRC and Hong Kong; (ii) a recognition of equity-settled share option expenses of approximately HK\$2.2 million during the Current Period, whereas no such expenses was incurred in the Previous Period; (iii) the increase in the operating expenses relating to the setting up of the newly acquired subsidiary in Chengdu mentioned above and; (iv) subject to the assessment by the Company, the amount of impairment loss of trade receivables to be recorded in the Current Period, whereas none was incurred in the Previous Period.

The Company is still in the process of finalising the unaudited consolidated financial results of the Group for the Current Period. The information contained in this announcement represents only a preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the Current Period and the information made available to the Board as at the date hereof, which has not been reviewed or audited by the Company's auditors or audit committee and may be subject to further adjustments. Shareholders and potential investors are advised to refer to the details of the interim results announcement of the Group for six months ended 30 September 2021, which is expected to be published in late November 2021.

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

By Order of the Board
Central Development Holdings Limited
Chan Wing Yuen, Hubert
Chief Executive & Executive Director

Hong Kong, 1 November 2021

As at the date of this announcement, the Board consists of three executive Directors, namely Mr. Wu Hao, Mr. Hu Yangjun and Mr. Chan Wing Yuen, Hubert; a non-executive Director, namely Mr. Li Wei Qi, Jacky; and three independent non-executive Directors, namely Mr. Jin Qingjun, Ms. Sun, Ivy Connie and Ms. Zhong Yingjie, Christina.