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九龍建業有限公司
KOWLOON DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 34)

POSITIVE PROFIT ALERT

This announcement is made by the board of directors (the “**Board**”) of Kowloon Development Company Limited (the “**Company**” 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 and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 December 2021, the Group is expected to record a significant increase in net profit attributable to shareholders of the Company in the range of 170% to 180% for the year ended 31 December 2021 as compared to that of the corresponding period in 2020, which was mainly due to the significant net fair value gains on investment properties in Hong Kong arising from the acceptance of the land premium offered by the Government of the Hong Kong Special Administrative Region with regard to an investment property under development located at No. 35 Clear Water Bay Road, Ngau Chi Wan, partially offset by provision for financial investments. Excluding revaluation changes from the Group’s investment properties net of tax and fair value changes on its interests in the property development and provision for financial investments, the Group is expected to record a considerable decrease in underlying net profit attributable to shareholders of the Company in the range of 45% to 55% for the year ended 31 December 2021 as compared to that of the corresponding period in 2020, which was mainly due to the decrease in sales recognition from the property development projects in Hong Kong, partially offset by income from interest in property development in Mainland China.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2021. The information contained in this announcement is only based on the preliminary assessment by the Board of the Company with reference to the draft unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and other information currently available to the Group which have not been reviewed or audited by the auditor of the Company. The actual results of the Group for the year ended 31 December 2021 may be subject to further revision. The annual results of the Group for the year ended 31 December 2021 are expected to be released in late March 2022.

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

By Order of the Board
Kowloon Development Company Limited
Or Wai Sheun
Chairman

Hong Kong, 25 February 2022

As at the date of this announcement, the Directors of the Company are Mr Or Wai Sheun (Chairman), Mr Lai Ka Fai, Mr Or Pui Kwan and Mr Lam Yung Hei as Executive Directors; Ms Ng Chi Man and Mr Yeung Kwok Kwong as Non-executive Directors; and Mr Li Kwok Sing, Aubrey, Mr Lok Kung Chin, Hardy, Mr Seto Gin Chung, John and Mr David John Shaw as Independent Non-executive Directors.