九龍建業有限公司
KOWLOON DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 34)

2026 INTERIM RESULTS ANNOUNCEMENT

HIGHLIGHTS

- For the six months ended 30 June 2026, the unaudited profit of the Group attributable to Shareholders amounted to HK$131 million, compared to HK$125 million in the corresponding period of 2025, representing an increase of 4.8%. The interim earnings per share for 2026 remained at HK$0.10, the same as HK$0.10 for 2025.
- Interim dividend for 2026 amounts to HK$0.10 per share (2025: HK$0.10).

INTERIM RESULTS AND DIVIDEND

For the six months ended 30 June 2026, the unaudited profit of Kowloon Development Company Limited (the "Company") and its subsidiaries (collectively, the "Group") attributable to shareholders of the Company ("Shareholders") amounted to HK$131 million, compared to HK$125 million in the corresponding period of 2025, representing an increase of 4.8%. The interim earnings per share for 2026 remained at HK$0.10, the same as HK$0.10 for 2025.

The fair value of the Group's investment properties remained broadly stable in the first half of 2026, recording revaluation gains of HK$6 million, compared to revaluation losses of HK$187 million recorded in the corresponding period of 2025. Excluding the effects of such revaluation on investment properties and fair value changes on interests in the property development, the Group's underlying profit attributable to Shareholders for the first half of 2026 amounted to HK$126 million, compared to HK$312 million in the corresponding period of 2025, representing a decrease of 59.6%. The underlying interim earnings per share for 2026 was HK$0.10, compared to HK$0.239 for 2025.

The Board of Directors of the Company (the "Board") has declared an interim dividend of HK$0.10 per share for 2026 (2025: HK$0.10). The interim dividend will be payable on Wednesday, 6 January 2027 to shareholders whose names appear on the register of members of the Company on Tuesday, 15 December 2026.

MARKET OVERVIEW AND BUSINESS REVIEW

In the first half of 2026, the overall residential property market in Hong Kong showed signs of bottoming out, stabilising and staging a modest recovery. Favourable factors, including the US Federal Reserve maintaining interest rate stability and local banks offering relatively low mortgage rates during the period, attracted buyers to the market. At the same time, the continuous influx of top talent and robust inelastic housing demand in Hong Kong drove residential rents to extend their upward trajectory seen since late last year, further stimulating tenants to transition from renting to buying and spurring long-term investors to enter the market. According to the latest figures released by the Rating and Valuation Department, the residential property price index for June stood at 323.2, with property prices rising by over 7.8% from the beginning of the year to the end of June. During the first half of the year, the residential property market overall exhibited momentum in both price and transaction volume growth, with purchasing power being released in an orderly manner.

As for commercial buildings, the office market remained under pressure from new supply in the first half of the year. Fortunately, net absorption bounced back and vacancy rates moderated, and office rents in core business districts also edged up slightly, whereas rents in non-core business districts stayed under pressure. On the retail shop front in the first half of the year, benefiting from the sustained recovery in inbound tourism and the revival of local consumer sentiment, leasing demand and rental levels in prime retail districts stayed relatively stable, with modest growth recorded in certain new leases.

In Mainland China, the Central Government introduced a series of policies to stabilise the real estate market, aimed at exerting a positive impact on the market. During the period, transaction volumes of secondary residential properties in major cities picked up. Nevertheless, overall market confidence remained at a low level and was in a stage of gradual recovery. It is hoped that more proactive policy measures on the real estate front will be rolled out by the Central Government in the second half of 2026 to further consolidate the foundation for the market to bottom out and stabilise.

Development Property Sales

In Hong Kong, Upper Manor, a residential and commercial development project located on High Street in Sai Ying Pun in which the Group holds a 60% interest, was completed with the Occupation Permit issued in April 2026. For the period under review, 60 of the total 111 sold-out residential units at the project were delivered to buyers. Total sale proceeds from the Group's development projects of approximately HK$456 million were recognised, which included the Group's attributable share of sale proceeds of approximately HK$334 million from the 60 delivered units at Upper Manor. At present, the remaining 51 sold residential units at Upper Manor have also been delivered, and the corresponding sale proceeds will be recognised in the second half of the year.

In Mainland China, total presales/sales from the Group's development projects amounted to approximately RMB437 million for the six months ended 30 June 2026, with presales/sales attributable to the Group of approximately RMB377 million based on its interests.

Property Development

As at 30 June 2026, the Group's landbank for development amounted to approximately 2.7 million sq m of attributable gross floor area ("GFA"). The Group's major property projects under planning and development are set out as follows:

Major Property Projects under Planning and Development

Property Project	District/City	Usage	Approx. Total Site Area (sq m)	Approx. GFA (sq m)	Approx. GFA Booked※ (sq m)	Group's Interest	Project Status	Expected Date of Completion
Hong Kong								
Clear Water Bay Road	Ngau Chi Wan, Kowloon	Residential & commercial	22,400	201,000	—	100%	Superstructure works in progress	2027 – 2029
Fuk Chak Street	Tai Kok Tsui, Kowloon	Residential & commercial	500	4,600	—	50%	Foundation works in progress	First quarter 2029
Mainland China								
Le Cove City (Shenyang) 江灣城（瀋陽）	Hun Nan District, Shenyang	Residential & commercial	165,000	630,000	381,000	100%	Modification of planning for Phase 5A (approx. GFA of 40,000 sq m) in progress	Phase 5A to be determined
The Gardenia (Shenyang) 翠堤灣（瀋陽）	Shenhe District, Shenyang	Residential & commercial	1,100,000	2,000,000	701,000	100%	Design approval for Phase 4 (approx. GFA of 249,000 sq m) in progress	Phase 4 to be determined

Major Property Projects under Planning and Development (Continued)

Property Project	District/City	Usage	Approx. Total Site Area (sq m)	Approx. GFA (sq m)	Approx. GFA Booked※ (sq m)	Group's Interest	Project Status	Expected Date of Completion
Mainland China *(Continued)*								
The Lake (Foshan) 山語湖（佛山）	Nanhai District, Foshan	Residential & commercial	4,021,000	1,600,000	1,085,000	50%	Construction works for Phase 5 (approx. GFA of 83,000 sq m) completed	Remaining development to be determined
City Plaza (Tianjin) 城市廣場（天津）	Hedong District, Tianjin	Residential, commercial & office	136,000	850,000	477,000	49%	Superstructure works for Phase 3B (approx. GFA of 280,000 sq m) in progress	Phase 3B end-2027
Yangpu (Shanghai) 楊浦（上海）	Yangpu District, Shanghai	Residential, commercial & office	21,000	75,000	—	40%	Design modification plan in progress	End-2029
Polytec Luxury Mansion (Shanxi) 保利達•貴府（山西）	Jiexiu	Residential & commercial	181,000	463,000	81,000	100%	Construction of Phase 2 (approx. GFA of 143,000 sq m) residential segment expected to commence in third quarter 2026	Phase 2 residential segment 2028
Hengda Guangchang (Zhuhai) 亨達廣場（珠海）	Xiangzhou District, Zhuhai	Commercial, office & apartment	38,000	199,000	—	70%	Interior fitting-out works for Phase 1 (approx. GFA of 66,000 sq m) in progress	Phase 1 third quarter 2026

※ Approx. GFA booked and recognised in the financial statements.

Note: A property project in Hong Kong, namely Upper Manor, was completed during the period under review.

Property Investment

Gross rental income generated from the Group's investment property portfolio in Hong Kong amounted to HK$131 million in the first six months of 2026, compared to HK$132 million in the corresponding period of 2025, representing a decrease of 0.8%.

PROSPECTS

In Hong Kong, structural works for the superstructure of the Group's Phase 1 development located at No. 33 Clear Water Bay Road are approaching completion. Sales preparations are currently in place, with the Group striving to launch sales to the market by the end of the third quarter of this year. As the Group's current core development project with a GFA of over 2,000,000 sq ft, it will provide more than 2,000 residential units alongside a large modern shopping arcade, representing a rare large-scale new development in the district. Situated in a prime location in East Kowloon with excellent transport connectivity, the project is directly connected to Choi Hung MTR Station and is expected to be well received by the market. The Phase 1 development is scheduled for completion and delivery to buyers between the second and third quarters of 2027.

Foundation works for the Group's 50%-owned joint development project located on Fuk Chak Street in Tai Kok Tsui are currently in progress.

In Mainland China, the design plan for the Phase 4 development of The Gardenia in Shenyang is currently in the approval stage.

In Jiexiu, Shanxi, over 700 residential units in the Phase 1 development of Polytec Luxury Mansion have been substantially sold out, with satisfactory sales results, while planning approval for the Phase 2 development has been granted, under which construction of the residential segment is scheduled to commence in the third quarter of 2026, with completion expected in 2028.

In Zhuhai, the Phase 1 development of Hengda Guangchang, comprising apartments and three-storey retail shops, was granted the Completion and Acceptance Filing Certificate in July 2026. The retail segment is close to completing all presales, while interior fitting-out works for the apartments are currently underway. In-depth collaboration with a renowned hotel brand to upgrade part of the project area into a hotel is planned, which is expected to provide long-term and stable income in the future.

The sale of the remaining units of the Group's joint development projects in Foshan and Tianjin will continue during the year. The construction works for the Phase 5 development of The Lake (Foshan) have been completed. As for City Plaza (Tianjin), the superstructure works for the Phase 3B development are in progress, with completion expected by the end of 2027.

The Yangpu project in Shanghai is the Group's 40%-owned joint development project. The preliminary construction licence has been obtained, site formation works have also been completed and the design modification plan is currently underway.

Le Cove City, the Group's development project in Wuxi, has been fully completed, with sales activities progressing steadily.

All of the Group's projects in Mainland China are currently advancing in a prudent manner, with sales of the remaining residential units, retail shops and parking spaces continuing.

In the first half of 2026, the Group recorded only modest profit growth due to fewer sales projects eligible for revenue recognition in Hong Kong. Looking ahead to the second half of the year, following the phased sales launch of the Clear Water Bay Road development project, if sales proceed smoothly, the substantial cash inflows generated are expected to significantly improve the Group's gearing ratio and further drive its future earnings growth.

Barring unforeseen circumstances, the Group anticipates that in Hong Kong, sales revenue from Upper Manor (which is fully sold out with an Occupation Permit issued), together with the Group's rental income, will serve as the primary sources of results and revenue in the second half of 2026.

I hereby express my deepest gratitude to the members of the Board for their foresight and full support, as well as our staff for their dedication and hard work!

INTERIM RESULTS

The unaudited consolidated results of the Group for the six months ended 30 June 2026 together with the comparative figures for 2025 are as follows:

Consolidated Statement of Profit or Loss

		Six months ended 30 June	
		2026	2025
	Note	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**1,186,355**	2,428,801
Cost of sales		**(717,663)**	(1,275,466)
Other revenue		**22,488**	13,276
Other net income/(expenses)		**78,965**	(582)
Depreciation and amortisation		**(5,680)**	(6,184)
Staff costs		**(250,476)**	(302,600)
Selling, marketing and distribution expenses		**(62,610)**	(359,402)
Other operating expenses		**(55,509)**	(70,832)
Fair value changes on investment properties		**6,199**	(186,798)
Fair value changes on interests in property development		**(762)**	(293)
Profit from operations		**201,307**	239,920
Finance costs	*4(a)*	**(37,996)**	(73,965)
Share of profits of associated companies		**9,095**	6,315
Share of (losses)/profits of joint ventures		**(2,345)**	23,531
Profit before taxation	*4*	**170,061**	195,801
Income tax	*5*	**(41,764)**	(80,680)
Profit for the period		**128,297**	115,121
Attributable to:			
Shareholders of the Company		**130,697**	124,556
Non-controlling interests		**(2,400)**	(9,435)
Profit for the period		**128,297**	115,121
Earnings per share – Basic and Diluted	*6*	**HK$0.10**	HK$0.10

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**128,297**	115,121
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**40,970**	20,012
Share of other comprehensive income of joint ventures and associated companies	**132,031**	79,171
	173,001	99,183
Total comprehensive income for the period	**301,298**	214,304
Attributable to:		
Shareholders of the Company	**301,900**	223,038
Non-controlling interests	**(602)**	(8,734)
Total comprehensive income for the period	**301,298**	214,304

Consolidated Statement of Financial Position

	Note	At 30 June 2026 HK$'000 (unaudited)		At 31 December 2025 HK$'000 (audited)	
Non-current assets					
Investment properties			**13,267,178**		13,186,630
Property, plant and equipment			**206,546**		209,114
Interests in property development	*8*		**761,306**		762,068
Interest in joint ventures			**1,654,309**		1,605,797
Interest in associated companies			**2,565,916**		2,442,825
Trade and other receivables	*9*		**65,892**		65,819
Loans and advances	*9*		**109,152**		147,384
Deferred tax assets			**283,269**		294,942
			18,913,568		18,714,579
Current assets					
Inventories		**19,775,774**		19,390,724	
Interests in property development	*8*	**780,099**		780,099	
Trade and other receivables	*9*	**622,164**		589,982	
Loans and advances	*9*	**8,142**		14,818	
Other financial assets		**7,012**		7,947	
Amount due from a related company		**–**		758,767	
Amount due from a joint venture		**56,675**		56,675	
Cash and bank balances		**1,159,651**		1,172,587	
		22,409,517		22,771,599	

Consolidated Statement of Financial Position *(continued)*

	Note	At 30 June 2026 *HK$'000* (unaudited)		At 31 December 2025 *HK$'000* (audited)	
Current liabilities					
Trade and other payables	*10*	**2,356,390**		2,525,255	
Amount due to an associated company		**45,616**		43,865	
Bank loans		**11,472,828**		1,685,978	
Current taxation		**288,238**		274,018	
		14,163,072		4,529,116	
Net current assets			**8,246,445**		18,242,483
Total assets less current liabilities			**27,160,013**		36,957,062
Non-current liabilities					
Loan from a related company		**2,235,747**		2,112,220	
Bank loans		**6,835,246**		16,840,811	
Deferred tax liabilities		**420,831**		447,596	
			9,491,824		19,400,627
NET ASSETS			**17,668,189**		17,556,435
Capital and reserves					
Share capital			**9,307,169**		9,307,169
Reserves			**8,277,575**		8,158,544
Total equity attributable to the shareholders of the Company			**17,584,744**		17,465,713
Non-controlling interests			**83,445**		90,722
TOTAL EQUITY			**17,668,189**		17,556,435

1 BASIS OF PREPARATION

The interim results set out in the announcement do not constitute the Group's interim report for the six months ended 30 June 2026 but are extracted from that report.

The unaudited interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The financial information relating to the financial year ended 31 December 2025 that is included in this announcement of interim results as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap.622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, "Financial instruments" and HKFRS 7, "Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments, are relevant to the Group's financial statements".

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 SEGMENT REPORTING

The Group manages its business by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's top management for the purposes of assessing segment performance and allocating resources between segments, the Group has identified the following reportable segments.

– Property development segment (Hong Kong/Mainland China): the development and sale of properties and interests in property development. Given the importance of the property development division to the Group, the Group's property development business is segregated further into two reportable segments on a geographical basis.

– Property investment segment: the leasing of properties to generate rental income and to gain from the appreciation in the properties' values in the long term.

– Other businesses segment: mainly includes the provision of property management services, the provision of finance services and treasury operations.

Revenue comprises mainly rental income from properties, gross proceeds from sale of properties, income from interests in property development, property management service income and interest income.

Reportable segment profit represents profit before taxation by excluding fair value changes on interests in property development and investment properties, finance costs and head office and corporate income/expenses.

Reportable segment assets include all tangible and current assets with the exception of deferred tax assets, cash and bank balances and other corporate assets.

3 SEGMENT REPORTING *(CONTINUED)*

(a) Segment results and assets

Information regarding the Group's reportable segments as provided to the Group's top management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Six months ended 30 June 2026				
		Property development			
	Total	**Hong Kong**	**Mainland China**	**Property investment**	**Others** *(Remark 1)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**1,186,355**	**455,690**	**360,880**	**131,231**	**238,554**
Reportable segment profit	**250,237**	**123,796**	**5,508**	**119,716**	**1,217**
Fair value changes on investment properties	**6,199**	**–**	**–**	**6,199**	**–**
Fair value changes on interests in property development	**(762)**	**–**	**(762)**	**–**	**–**
Head office and corporate expenses	**(47,617)**				
Finance costs	**(37,996)**				
Profit before taxation	**170,061**				
Share of profits of associated companies	**9,095**	**–**	**9,095**	**–**	**–**
Share of (losses)/profits of joint ventures	**(2,345)**	**–**	**(2,384)**	**–**	**39**

Remark 1:
Others included revenue from property management services of HK$162,888,000 (six months ended 30 June 2025: HK$194,268,000) and the relevant segment profit of HK$907,000 (six months ended 30 June 2025: segment loss of HK$19,541,000) respectively.

3 SEGMENT REPORTING *(CONTINUED)*

(a) Segment results and assets *(continued)*

	Six months ended 30 June 2025				
		Property development			
	Total	Hong Kong	Mainland China	Property investment	Others *(Remark 1)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	2,428,801	1,419,027	600,249	132,151	277,374
Reportable segment profit/(loss)	498,697	364,467	46,460	102,532	(14,762)
Fair value changes on investment properties	(186,798)	–	–	(186,798)	–
Fair value changes on interests in property development	(293)	–	(293)	–	–
Head office and corporate expenses	(41,840)				
Finance costs	(73,965)				
Profit before taxation	195,801				
Share of profits of associated companies	6,315	–	6,315	–	–
Share of profits of joint ventures	23,531	–	23,531	–	–

	At 30 June 2026				
		Property development			
	Total	**Hong Kong**	**Mainland China**	**Property investment**	**Others *(Remark 2)***
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment assets	**39,809,549**	**16,097,254**	**9,921,505**	**13,273,635**	**517,155**
Deferred tax assets	**283,269**				
Cash and bank balances	**1,159,651**				
Head office and corporate assets	**70,616**				
Total assets	**41,323,085**				
Interest in associated companies	**2,565,916**	**–**	**2,565,916**	**–**	**–**
Interest in and amount due from joint ventures	**1,710,984**	**130,267**	**1,580,376**	**–**	**341**

Remark 2:
Others included reportable segment assets of property management services amounting to HK$133,558,000 (31 December 2025: HK$120,192,000).

3 SEGMENT REPORTING *(CONTINUED)*

(a) Segment results and assets *(continued)*

	At 31 December 2025				
		Property development			
	Total	Hong Kong	Mainland China	Property investment	Others *(Remark 2)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	39,949,338	15,587,295	10,609,625	13,203,815	548,603
Deferred tax assets	294,942				
Cash and bank balances	1,172,587				
Head office and corporate assets	69,311				
Total assets	41,486,178				
Interest in associated companies	2,442,825	–	2,442,825	–	–
Interest in and amount due from joint ventures	1,662,472	133,017	1,528,911	–	544

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting) the amounts as set out below.

(a) Finance costs

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interest on bank loans	**305,786**	377,164
Interest on loan from a related company	**34,899**	45,692
Less: Amount capitalised (Remark)	**(302,689)**	(348,891)
	37,996	73,965

Remark:
Borrowing costs were capitalised at rates of 2.98% – 4.18% (six months ended 30 June 2025: 1.89% – 6.98%) per annum.

4 PROFIT BEFORE TAXATION *(CONTINUED)*

(b) Other items

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Depreciation and amortisation	**5,680**	6,184
Interest income	**(8,464)**	(12,095)

5 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current tax		
Provision for profits tax		
– Hong Kong	**37,045**	75,780
– Outside Hong Kong	**13,161**	9,188
	50,206	84,968
Land appreciation tax ("LAT")	**593**	20
Withholding tax	**-**	13,830
Deferred tax	**(9,035)**	(18,138)
	41,764	80,680

The provision for Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2025: 16.5%) of the estimated assessable profits for the six months ended 30 June 2026. Tax levied in jurisdictions outside Hong Kong is charged at the appropriate current rates of taxation ruling in relevant jurisdictions.

Under the Provisional Regulations on LAT in Mainland China, all gains arising from the transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditure including cost of land use rights, borrowing costs and all property development expenditure.

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share are based on the profit attributable to shareholders of the Company of HK$130,697,000 (six months ended 30 June 2025: HK$124,556,000) and the weighted average number of ordinary shares in issue during the period of 1,306,206,058 (six months ended 30 June 2025: 1,306,206,058).

(b) Diluted earnings per share

There were no dilutive potential shares in existence during the six months ended 30 June 2026 and 2025.

7 Dividends

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interim dividend declared after the interim period of HK$0.10 (six months ended 30 June 2025: HK$0.10) per share	**130,621**	130,621

The interim dividend declared after the interim period has not been recognised as a liability at the interim period end date.

8 INTERESTS IN PROPERTY DEVELOPMENT

Interests in property development represent the Group's interests in the development of various properties located at Huizhou and Zhuhai in Mainland China under co-investment agreements with a related company, Polytec Holdings International Limited.

As at 30 June 2026, interests in property development of HK$780,099,000 (31 December 2025: HK$780,099,000) was expected to be recoverable within one year and was classified as current assets.

9 TRADE AND OTHER RECEIVABLES/LOANS AND ADVANCES

The following is an ageing analysis (based on the due date) of trade receivables and loans and advances (net of loss allowance):

	At 30 June 2026	At 31 December 2025
	HK$'000	*HK$'000*
Current	**230,851**	290,800
Within 3 months	**32,574**	34,424
3 months to 6 months	**1,860**	608
More than 6 months	**12,111**	18,318
Trade receivables and loans and advances	**277,396**	344,150
Utility and other deposits	**15,226**	14,587
Prepaid tax	**96,683**	89,393
Other receivables and prepayments	**416,045**	369,873
	805,350	818,003
Representing:		
Non-current assets	**175,044**	213,203
Current assets	**630,306**	604,800
	805,350	818,003

The Group maintains a defined credit policy. An ageing analysis of trade receivables and loans and advances is prepared on a regular basis and is closely monitored to minimise any credit risk associated with receivables and loans and advances.

10 TRADE AND OTHER PAYABLES

The following is an ageing analysis (based on the due date) of trade payables:

	At 30 June 2026	At 31 December 2025
	HK$'000	*HK$'000*
Not yet due or on demand	**1,376,862**	1,504,405
Within 3 months	**129**	243
Trade payables	**1,376,991**	1,504,648
Rental and other deposits	**81,864**	79,380
Other payables and accrued expenses	**456,461**	434,867
Contract liabilities – deposits received on sale of properties	**441,074**	506,360
	2,356,390	2,525,255

FINANCIAL REVIEW

Financial resources and bank borrowings

As at 30 June 2026, the Group's total bank borrowings amounted to HK$18,308 million, a reduction from HK$18,527 million in 2025, comprising of HK$11,473 million repayable within one year and HK$6,835 million repayable after one year. Included in short-term borrowings is a syndicated project loan granted for the development of the Clear Water Bay Road project. This loan has been reclassified as current liabilities due to its maturity falling in the first half of 2027. The Group has maintained proactive, continuous and close communication with the syndicate banks. Benefiting from the project's prime location with direct access to key transportation hubs, with confidence in the current residential market in Hong Kong together with the Group's long and well established creditability, the syndicate banks remain supportive of the loan facility. Looking ahead, upon the launch of presales for Phase 1 of the Clear Water Bay Road project, the Group's financial position will be further strengthened and the management is confident to complete the refinancing smoothly before the maturity of the said syndicated project loan.

With cash and bank balances totalling HK$1,160 million, the Group's net bank borrowings have reduced to HK$17,148 million as at 30 June 2026. Loan from a related company is recorded at HK$2,236 million as at the same date. The Group's gearing ratio (calculated on the basis of net bank borrowings over total equity) was 97.1% as at 30 June 2026 (31 December 2025: 98.8%).

During the period, sales of the property projects in Hong Kong contributed cash inflows of approximately HK$421 million to the Group, mainly from sales and presales of Manor Hill and Upper Manor. Furthermore, the Group recorded approximately HK$367 million cash inflows from presales and sales of various development projects in Mainland China, mainly from sales of Le Cove City, Wuxi and Polytec Luxury Mansion, Shanxi.

Over the past few years, the Group has continued to prioritise the reduction of its gearing ratio as part of its financial management strategy. To support this objective, the Group has implemented various initiatives, including the disposal of non-core assets. During the years, the Group disposed of certain offices, shops and car parking spaces in its residential projects in Mainland China. In total, non-core assets amounting to over HK$700 million were realised during the years, further strengthening the Group's financial position. By divesting these non-core assets, the Group is able to sharpen its focus on core business, which not only helps to reduce debt levels but also enhances cash flow and supports long-term value creation for shareholders. In addition, with the Group's upcoming launch of presales for its large-scale residential project on Clear Water Bay Road in Hong Kong, together with the presales and sales of various projects in Mainland China, further cash inflows are expected to be generated in the near term. These cash inflows will further strengthen the Group's liquidity and overall financial position, and the Group's gearing ratio is expected to improve in due course.

During the period, the Group has advanced its development projects in Hong Kong and Mainland China and expended a total of approximately HK$869 million for construction costs.

All the Group's borrowings are arranged on a floating rate basis. The Group will closely monitor and manage its exposure to interest rate fluctuations and will consider engaging in relevant hedging arrangements when appropriate.

With the investments in Mainland China, the Group is exposed to exchange fluctuations in RMB. Since revenue generated from the development projects in Mainland China funds local development costs which are also denominated in RMB, it serves as a natural hedge against the exchange rate risk of RMB.

With the financing facilities in place, recurrent income from investment properties, cash inflows from presales/sales of the Group's development projects and the financial support from a related company, the Group has sufficient financial resources to satisfy its commitments and future funding requirements.

Capital commitments

As at 30 June 2026, the Group had commitments mainly in connection with the Group's investment properties amounting to HK$231 million.

Pledge of assets

As at 30 June 2026, properties having a value of HK$27,276 million and deposits of HK$26 million were pledged to banks and insurance companies mainly to secure banking facilities and performance bonds extended to the Group.

Contingent liabilities

As at 30 June 2026, the Group had given guarantees to financial institutions in respect of performance bonds entered into by a subsidiary to the extent of HK$40 million.

OTHER INFORMATION

Review of Interim Financial Report

The Audit Committee of the Company has reviewed the unaudited interim financial report of the Group for the six months ended 30 June 2026. The Group's independent auditor, KPMG, Certified Public Accountants, has conducted a review of the interim financial report in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants.

Compliance with the Corporate Governance Code

Throughout the six months ended 30 June 2026, the Company has complied with all the code provisions set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), with the exception of Code Provisions C.2.1 and F.1.3 as explained below:

Code Provision C.2.1

Mr Or Wai Sheun has performed the combined role as the chairman of the Board and the chief executive taking charge of the overall operations of the Group. The reason for deviation from the code provision was disclosed in the Annual Report 2025.

Code Provision F.1.3

Mr Or Wai Sheun, the chairman of the Board, was unable to attend the Annual General Meeting of the Company held on 3 June 2026 (the "2026 AGM") due to the need for eye treatment and care. In his absence, an Executive Director of the Company was invited to chair the 2026 AGM and was available to answer questions at the 2026 AGM.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2026.

Closure of Register of Members

For the purpose of determining shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Monday, 14 December 2026 to Tuesday, 15 December 2026, both dates inclusive. During the aforementioned period, no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 pm (Hong Kong time) on Friday, 11 December 2026. The interim dividend will be payable to shareholders whose names appear on the register of members of the Company on Tuesday, 15 December 2026, being the record date for determination of entitlement to the interim dividend.

Publication of Interim Report

The Interim Report 2026 containing all the information as required by the Listing Rules will be published on the website of "HKEXnews" at www.hkexnews.hk and the website of the Company at www.kdc.com.hk by the end of September 2026, while printed copies will be sent to Shareholders as requested.

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

Hong Kong, 21 August 2026

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 and Mr Hsu Duff Karman as Independent Non-executive Directors.