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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)

ANNOUNCEMENT

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the Group's currently available unaudited consolidated management accounts for the 11 months ended 30 November 2013 and the information available for the time being, the Group expects to record a significant decrease in the consolidated profit attributable to the shareholders of the Company for the year ended 31 December 2013 as compared to that for the year ended 31 December 2012.

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

The board of directors (the "**Board**") of Kowloon Development Company Limited (the "**Company**") together with its subsidiaries, the "**Group**") makes this announcement 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 Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**").

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the Group's currently available unaudited consolidated management accounts for the 11 months ended 30 November 2013 and the information available for the time being, the Group expects to record a significant decrease in the consolidated profit attributable to the shareholders of the Company for the year ended 31 December 2013 as compared to that for the year ended 31 December 2012. Based on the information currently available to the Board, the expected decrease in the consolidated profit attributable to the shareholders of the Company is mainly attributable to (1) the delay in selling schedule of certain of the Company's property development projects, in particular, MacPherson Place located in Mongkok, Kowloon, which was planned to be sold in 2013 and is now expected to be sold in 2014 and (2) the temporary suspension of normal crude oil production in Kazakhstan, as announced by the Group on 3 January 2013, 1 February 2013 and 28 June 2013.

The Company is still in the process of finalizing the annual results of the Group for year ended 31 December 2013. The annual results announcement of the Company for the year ended 31 December 2013 is expected to be released in March 2014. The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group up to 30 November 2013, which is not based on any figures or information which have been confirmed or reviewed by the Company's auditors.

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, 2 January 2014

As at the date of this announcement, the Directors of the Company are Mr Or Wai Sheun (Chairman), Mr Lai Ka Fai and Mr Or Pui Kwan as Executive Directors; Mr Keith Alan Holman (Deputy Chairman), 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.