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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)

DISCLOSEABLE TRANSACTION

DISPOSAL OF 40% OF THE TOTAL ISSUED SHARE CAPITAL OF RIDEON LIMITED

THE DISPOSAL

On 27 November 2026, the Vendor, a direct wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares and the Sale Loan at an aggregate consideration of HK$585,000,000. The Sale Shares represent 40% of the total issued share capital of the Target Company and the Sale Loan represents the aggregate amount of the loan, interest (if any) and other sums and indebtedness due by the Target Company to the Vendor. Upon Completion, the Vendor will cease to own any shares in the Target Company.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but exempt from the circular and Shareholders' approval requirements under the Listing Rules.

THE AGREEMENT

Date

27 November 2026

Parties to the Agreement

(1) The Vendor; and

(2) The Purchaser.

The Disposal

Pursuant to the Agreement:

(1) the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, representing 40% of the total issued share capital of the Target Company; and

(2) the Vendor agreed to sell and assign, and the Purchaser agreed to purchase, by way of assignment, the benefit of the Sale Loan, representing the aggregate amount of the loan, interest (if any) and other sums and indebtedness due by the Target Company to the Vendor, which, as at 30 September 2026, was HK$800,632,953.

Consideration

The aggregate Consideration is HK$585,000,000, which shall be apportioned as to HK$1 to the Sale Shares and as to HK$584,999,999 to the Sale Loan, and shall be settled by the Purchaser by payment to the Vendor in the following manner (or in such other manner as the parties may agree in writing):

(1) as to HK$58,500,000 (representing 10% of the Consideration) in cash upon the signing of the Agreement (the "**Deposit**"); and

(2) as to the remaining balance of HK$526,500,000 in cash on the Completion Date.

Upon Completion, the Deposit shall be credited towards the Consideration. In the event that Completion does not occur for any reason other than the Purchaser's breach of its obligations under the Agreement, the Vendor shall, within five (5) Business Days, refund the Deposit to the Purchaser without deduction, withholding or interest. In the event that Completion does not occur as a result of the Purchaser's breach of its obligations under the Agreement, the Vendor may, by notice in writing to the Purchaser, elect to terminate the Agreement forthwith and retain the Deposit as liquidated damages.

Basis of Determining the Consideration

The Consideration was determined by the parties after arm's length negotiations, with reference to, among other factors, the following:

(1) the appraised value of the Land, which is the principal asset of the Target Group, as assessed by an independent valuer as at 23 November 2026, being approximately RMB2,409,000,000 (equivalent to approximately HK$2,818,530,000), 40% of which (being the Vendor's interest in the Target Company) amounts to approximately RMB963,600,000 (equivalent to approximately HK$1,127,412,000);

(2) the outstanding liability of the Target Group in relation to the Land, being approximately RMB1,250,000,000 (equivalent to approximately HK$1,462,500,000), 40% of which (being the Vendor's interest in the Target Company) amounts to approximately RMB500,000,000 (equivalent to approximately HK$585,000,000); and

(3) the reasons for the Disposal set out in the section headed "Reasons for and Benefits of the Disposal" of this announcement.

Completion

Completion shall take place on (i) 26 February 2027; or (ii) such other date as may be mutually agreed by the Purchaser and the Vendor in writing.

Upon Completion, the Vendor will cease to own any shares in the Target Company, which will no longer be an associated company of the Group.

INFORMATION ON THE PARTIES

The Vendor and the Group

The Vendor is a direct wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The Group is principally engaged in property development, property investment and property management in Hong Kong and Mainland China. It is also engaged in financial investments and investment holding.

The Purchaser

The Purchaser is principally engaged in investment holding and is directly wholly-owned by Mr Wang Heling, who has over 30 years of experience in property development in PRC.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Purchaser and Mr Wang Heling is a third party independent of the Company and its connected persons.

INFORMATION ON THE TARGET GROUP

The Target Group consists of the Target Company and its subsidiaries, including the Owner.

As at the date of this announcement, the Target Company is directly held as to 40% by the Vendor and as to 60% by Polytec Holdings, which is in turn ultimately wholly-owned by Mr Or.

The Owner is principally engaged in property development and property management, and holds the Land.

According to the unaudited consolidated financial statements of the Target Group, which are prepared on a basis consistent with HKFRS Accounting Standards, its consolidated financial results for each of the two years ended 31 December 2024 and 31 December 2025 are as follows:

	For the year ended 31 December	
	2024	**2025**
	(Unaudited)	*(Unaudited)*
	HK$'000	HK$'000
Net loss before tax	761	526
Net loss after tax	761	526

As at 30 September 2026, the unaudited net asset value of the Target Group was approximately HK$763,936,000. The appraised value of the Land was approximately RMB2,409,000,000 (equivalent to approximately HK$2,818,530,000).

INFORMATION ON THE LAND

The Land is located at 14/8 Qiu, 176 Jiefang, Siping Road, Yangpu District, Shanghai, PRC, and has a total site area of 21,278.60 sq m. It is designated for residential, commercial and office uses and is intended to be developed into one residential building, two office buildings, several low-rise commercial buildings and ancillary facilities.

Following the acquisition of the Land by the Group in 2018, the Project underwent site clearance and resettlement, which were completed in May 2021. After obtaining the grant contract of land use rights in 2004, various supplementary contracts were obtained during the period from 27 July 2006 to 13 January 2023. Pursuant to the real estate title certificate dated 26 September 2023, the land use rights of the Land have been granted to the Owner for various terms, with the latest expiry date being 29 June 2091 for residential use.

As at the date of this announcement, the permit for commencement of construction works has been obtained, and preparations for foundation works for the development of the Land are in progress.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

Subject to final audit, it is expected that the Group will not record any gain or loss from the Disposal. This is based on a comparison between (i) the aggregate Consideration of HK$585,000,000; and (ii) approximately HK$1,106,207,000, being the aggregate of (1) approximately HK$305,574,000, representing 40% of the unaudited net asset value of the Target Group of approximately HK$763,936,000 as at 30 September 2026; and (2) approximately HK$800,633,000, being the Sale Loan, which represents 40% of the total shareholders' loans of approximately HK$2,001,582,000 due by the Target Company as at 30 September 2026. The resulting shortfall of approximately HK$521,207,000 will be borne in full by Polytec Holdings pursuant to the remedy provisions of the sale and purchase agreement dated 22 June 2018 in relation to the acquisition of the Target Company by the Group. Such shortfall is expected to be settled within one month following Completion.

The net proceeds from the Disposal (after deducting the relevant costs and expenses) are estimated to be approximately HK$585,000,000, which the Group intends to apply as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Target Company indirectly owns the Land, which is designated for residential, commercial and office uses in Yangpu District, Shanghai, PRC. The permit for commencement of construction works has been obtained and preparations for foundation works for the development of the Land are in progress.

Considering the increasingly challenging operating environment for property development in PRC, and given that construction of the development on the Land has not yet commenced, the Board expects that a prolonged development period and substantial further capital commitments will be required before the Group can realise its investment in the Land through development and sale.

In assessing the development prospects of the Land, the Board has also taken into account the commercial component of the proposed development. Despite the Group's efforts over the years to explore the conversion of such commercial component to residential use, substantial difficulties remain, and the timing and outcome of such conversion remain uncertain. Given that the Group's property development business has primarily focused on residential projects, proceeding with the commercial component would be less aligned with the Group's principal development focus.

The Board has further considered recent changes to the regulatory environment for property development in PRC concerning housing sales and property financing. Subject to the applicable local implementation and transitional arrangements, such measures may result in a longer cash recovery cycle and increased funding requirements for the development of the Land.

Against this backdrop, the Disposal provides an opportunity for the Group to realise its investment in the Land and avoid the need to commit further capital to its development, thereby preserving financial resources and reducing the Group's exposure to the development risks and uncertainties associated with the Project. The Disposal would also enable the Group to allocate its financial and management resources to operations more closely aligned with its principal business focus.

Based on the factors disclosed above, the Directors (including all of the Independent Non-executive Directors) are of the view that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, none of the Directors has a material interest in the Agreement and the transactions contemplated thereunder. Notwithstanding the above, for good corporate governance purposes, each of Mr Or, Ms Ng Chi Man (the spouse of Mr Or), Mr Or Pui Kwan (the son of Mr Or) and Mr Lam Yung Hei (the son-in-law of Mr Or) has voluntarily abstained from voting on the Board resolutions approving the Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but exempt from the circular and Shareholders' approval requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"Agreement"	the sale and purchase agreement dated 27 November 2026 entered into between the Vendor and the Purchaser in relation to the Disposal;
"Board"	the board of Directors;
"Business Day"	a day on which banks in Hong Kong are open for general banking transactions (excluding Saturdays, Sundays, public holidays and any weekday on which a tropical cyclone warning signal number 8 or above is hoisted, or a black rainstorm warning signal or "extreme conditions" announced by the Government of Hong Kong is/are in force in Hong Kong at any time between 9:00 am and 5:00 pm);

"Company"	Kowloon Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 34);
"Completion"	completion of the Disposal;
"Completion Date"	date of Completion;
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"Consideration"	consideration for the Disposal;
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules;
"Deposit"	has the meaning set out in the section headed "The Agreement – Consideration" of this announcement;
"Director(s)"	director(s) of the Company;
"Disposal"	the disposal of the Sale Shares and the assignment of the Sale Loan by the Vendor to the Purchaser;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of PRC;
"Land"	Land E1–15 Siping Community located at 14/8 Qiu, 176 Jiefang, Siping Road, Yangpu District, Shanghai, PRC, which is owned by the Owner as at the date of this announcement;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Mr Or"	Mr Or Wai Sheun, an Executive Director and the controlling shareholder of the Company;
"Owner"	上海揚業房地產開發有限公司, a company established in PRC with limited liability and an indirect wholly-owned subsidiary of the Target Company;
"Polytec Holdings"	Polytec Holdings International Limited, a company incorporated in the British Virgin Islands with limited liability and registered in Hong Kong as a registered non-Hong Kong company;

"PRC"	the People's Republic of China;
"Project"	the development project in respect of the Land;
"Purchaser"	Power City Ventures Limited, a company incorporated in the British Virgin Islands with limited liability;
"RMB"	Renminbi, the lawful currency of PRC;
"Sale Loan"	the aggregate amount of the loan, interest (if any) and other sums and indebtedness due by the Target Company to the Vendor, which, as at 30 September 2026, was HK$800,632,953;
"Sale Shares"	four (4) ordinary shares of US$1.00 each in the capital of the Target Company registered in the name of the Vendor and representing 40% of the total issued share capital of the Target Company;
"Shareholder(s)"	shareholder(s) of the Company;
"sq m"	square metre;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Target Company"	Rideon Limited, a company incorporated in the British Virgin Islands with limited liability, which is directly held as to 40% by the Vendor and as to 60% by Polytec Holdings as at the date of this announcement;
"Target Group"	the Target Company and its subsidiaries (including the Owner);
"US$"	the United States dollar, the lawful currency of the United States of America;
"Vendor"	Future Star International Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company; and
"%"	per cent.

For the purposes of this announcement, the conversion of RMB into HK$ is based on the approximate exchange rate of RMB1.00 to HK$1.17. No representation is made that any amounts in RMB or HK$ could have been or could be converted at that rate or at any other rate or at all.

By Order of the Board
Kowloon Development Company Limited
Tse Wah Ting, Wendy
Company Secretary

Hong Kong, 27 November 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.