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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 would like 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 five months ended 31 May 2014 and the information available for the time being, the Group expects to record a substantial decrease in the amount of net profit for the six months ended 30 June 2014 as compared to that for the corresponding period in 2013.

Except for unforeseeable circumstances, the Board believes that the Group's underlying net profit, which excludes revaluation gains from the Group's investment properties, for the second half of 2014 is expected to be improved as compared to that for the corresponding period in 2013.

**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 would like 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 five months ended 31 May 2014 and the information available for the time being, the Group expects to record a substantial decrease in the amount of net profit for the six months ended 30 June 2014 as compared to that for the corresponding period in 2013. Such expected decline is mainly attributable to (1) the decrease in recognised profit from the sale of properties of the Group and (2) the decrease in the revaluation gains from the Group's investment properties for the six months ended 30 June 2014 as compared to that for the corresponding period in 2013.

Further, as announced by the Group on 3 January 2013, 1 February 2013, 28 June 2013 and 2 January 2014, the Board would like to inform that the normal crude oil production in Kazakhstan is still remaining temporarily suspended. Hence, the operating profit from the oil exploration and production activities of the Group in the first half of 2014 has been adversely affected.

The Company is still in the process of finalising the interim results of the Group for six months ended 30 June 2014. The interim results announcement of the Company for the six months ended 30 June 2014 is expected to be released in August 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 31 May 2014, which is not based on any figures or information which have been confirmed or reviewed by the Company's auditors.

Although the Group expects to record a substantial decrease in the amount of net profit for the first half of 2014, except for unforeseeable circumstances, the Board believes that the Group's underlying net profit, which excludes revaluation gains from the Group's investment properties, for the second half of 2014 is expected to be improved as compared to that for the corresponding period in 2013 in view of profits from the Group's certain property development projects are anticipated to be recognised later this year.

**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 July 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.*