

香港聯合交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

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FOR REFERENCE ONLY

Subject : Display of Adjusted Previous Closing Price of Kowloon Development Company Limited (stock code 34) on OTP-C for its Interim Dividend of HK\$0.22 per share (the "interim Dividend") and Special Dividend by way of distribution in specie of 1 share in Polytec Asset Holdings Limited ("Polytec Asset") for every 10 shares (the "Distribution in Specie") on Ex-All Date, 23 November 2018

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Pursuant to the timetable issued by Kowloon Development Company Limited ("Kowloon Development") for the Interim Dividend and the Distribution in Specie, Kowloon Development's shares (stock code: 34) will be marked "ex-all" on 23 November 2018, the Ex-All Date. Shareholders, investors and market participants should read the Kowloon Development's announcements in full regarding the Interim Dividend and the Distribution in Specie in dealing with Kowloon Development's shares. If they are in doubt, they should consult their professional adviser(s).

As an OTP-C standard practice for ex-dividend and ex-distribution in specie ("Ex-All") and for reference only, an Adjusted Previous Closing Price will be displayed in the "PRV CLOSE" field of Kowloon Development's OTP-C stock page on 23 November 2018, the Ex-All Date. The unadjusted previous closing price will instead be displayed in the free text field. Calculation of the Adjusted Previous Closing Price will be based on the closing prices of Kowloon Development and Polytec Asset on 22 November 2018 (i.e. last cum-all trading day) and by using the following standard adjustment formula for dividend and distribution in specie generally.

Adjustment Formula:

Adjusted Previous Closing Price

= Closing price of Kowloon Development on the last cum-distribution trading day – D – [P x (X ÷ Y)]

where:

D = Kowloon Development's interim dividend per share, i.e. HK\$0.22

P = Closing price of Polytec Asset (stock code: 208) on the last cum-all trading day

X = Number of shares of Polytec Asset a shareholder is entitled to receive when he/she holds Y existing shares in Kowloon Development on record date, i.e. 1 share of Polytec Asset

Y = Number of existing shares of Kowloon Development a shareholder has to hold on record date for entitling him/herself to X shares in Polytec Asset, i.e. 10 shares

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For illustration purpose, depending on the closing prices of Kowloon Development and Polytec Asset on 22 November 2018, the Exchange shall base on the above standard formula for dividend and distribution in specie generally to calculate and display the Adjusted Previous Closing Price on Kowloon Development's OTP-C stock page on 23 November 2018 as follows:-

<u>CUM-ALL</u>	<u>EX-ALL*</u>
<u>Unadjusted Closing Price</u>	<u>Adjusted</u>
<u>on 22 November 2018</u>	<u>Previous Closing Price</u>
<u>(HK\$)</u>	<u>on 23 November 2018</u>
<u>(HK\$)</u>	<u>(HK\$)</u>
8.250	7.960
8.260	7.970
8.270	7.980
8.280	7.990
8.290	8.000
8.300	8.010
8.310	8.020
8.320	8.030
8.330	8.040
8.340	8.050
8.350	8.060
8.360	8.070
8.370	8.080
8.380	8.090
8.390	8.100
8.400	8.110
8.410	8.120
8.420	8.130
8.430	8.140
8.440	8.150
8.450	8.160
8.460	8.170
8.470	8.180
8.480	8.190
8.490	8.200
8.500	8.210
8.510	8.220
8.520	8.230
8.530	8.240
8.540	8.250

* Closing price of Polytec Asset on 20 November 2018 (i.e. HK\$0.700) is used as reference in the above illustration

Charles Woo
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