
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Kowloon Development Company Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or the agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



九龍建業有限公司
KOWLOON DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 34)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS AND
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Kowloon Development Company Limited is set out on pages 12 to 15 of this circular. Whether or not you intend to attend the meeting, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours (excluding Sunday and public holidays) before the time appointed for holding the meeting or any adjournment thereof to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting if you so wish.

27 April 2018

CONTENTS

	<i>Page</i>
Letter from the Board	1
Appendix I — Information on Re-election of Directors	4
Appendix II — Explanatory Statement on the Repurchase Mandate	9
Notice of Annual General Meeting	12

LETTER FROM THE BOARD



九龍建業有限公司
KOWLOON DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 34)

Executive Directors

Mr Or Wai Sheun (*Chairman*)

Mr Lai Ka Fai

Mr Or Pui Kwan

Mr Lam Yung Hei

Registered Office

23rd Floor, Pioneer Centre

750 Nathan Road

Kowloon

Hong Kong

Non-executive Directors

Ms Ng Chi Man

Mr Yeung Kwok Kwong

Independent Non-executive Directors

Mr Li Kwok Sing, Aubrey

Mr Lok Kung Chin, Hardy

Mr Seto Gin Chung, John

Mr David John Shaw

27 April 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS AND
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
(collectively, the “Proposals”)
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the Proposals. Your approval of the Proposals will be sought at the annual general meeting of Kowloon Development Company Limited (the “**Company**”) to be held on Wednesday, 27 June 2018 (the “**2018 AGM**”).

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with Article 105 of the Articles of Association of the Company (the “**Articles**”), Mr Or Pui Kwan, Mr Yeung Kwok Kwong and Mr Lok Kung Chin, Hardy (collectively, the “**Retiring Directors**”) will retire at the 2018 AGM. The Retiring Directors, being eligible, offer themselves for re-election. Their biographical details are set out in Appendix I to this circular.

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 7 June 2017, general mandates were given to the directors of the Company (the “**Directors**”) to allot, issue and deal with additional shares of the Company (“**Shares**”) and to exercise the powers of the Company to repurchase its own shares. Under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”) and the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), these general mandates will lapse at the conclusion of the 2018 AGM.

At the 2018 AGM, ordinary resolutions as referred in items (5), (6) and (7) of the notice convening the 2018 AGM will therefore be proposed to refresh these general mandates given to the Directors, as follows:

- (a) a general mandate to allot, issue and deal with additional Shares up to a maximum of 20% of the total number of the issued Shares as at the date of passing of the relevant resolution (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with Section 170(2)(e) of the Companies Ordinance after the passing of the relevant resolution) (the “**Issue Mandate**”);
- (b) a general mandate to repurchase Shares on the stock market up to a maximum of 10% of the total number of the issued Shares as at the date of passing of the relevant resolution (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with Section 170(2)(e) of the Companies Ordinance after the passing of the relevant resolution) (the “**Repurchase Mandate**”); and
- (c) if the Repurchase Mandate is granted, a general mandate to increase the limit of the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate.

As at 24 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular (the “**Latest Practicable Date**”), the number of the issued Shares was 1,176,631,296 Shares. If the ordinary resolution granting the Issue Mandate to the Directors is passed at the 2018 AGM, and assuming no further Shares are issued or repurchased prior to the 2018 AGM, up to 235,326,259 Shares, representing 20% of the total number of the issued Shares as at the date of passing the ordinary resolution at the 2018 AGM (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with Section 170(2)(e) of the Companies Ordinance after the passing of the relevant resolution), may be issued by the Company.

LETTER FROM THE BOARD

The board of directors of the Company (the “**Board**”) considers that the Issue Mandate provides flexibility for the allotment and issue of Shares for cash as working capital and/or for business expansion or as consideration for acquisitions as and when appropriate.

The Issue Mandate and the Repurchase Mandate may only continue in force until the conclusion of the next annual general meeting of the Company; or revoked or varied by the Company in general meeting, whichever occurs first. The Board believes that the grant of the general mandates is in the best interests of the Company.

An explanatory statement as required under the Listing Rules to provide the requisite information regarding the Repurchase Mandate is set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

Notice of the 2018 AGM is set out on pages 12 to 15 of this circular.

A proxy form for the 2018 AGM is enclosed. Whether or not you intend to attend the 2018 AGM, please complete and return the proxy form in accordance with the instructions printed thereon not less than 48 hours (excluding Sunday and public holidays) before the time appointed for holding the 2018 AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2018 AGM if you so wish. In such event, the proxy form shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of shareholders at a general meeting must be taken by poll. The Chairman of the 2018 AGM will therefore put each of the resolutions to be proposed at the 2018 AGM to be voted by way of a poll pursuant to Article 75 of the Articles.

RECOMMENDATION

The Board considers that the Proposals are in the best interests of the Company and its shareholders as a whole and recommends that the shareholders to vote in favour of all the resolutions to be proposed at the 2018 AGM.

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

APPENDIX I INFORMATION ON RE-ELECTION OF DIRECTORS

The following are particulars of the Retiring Directors (as required by the Listing Rules) proposed to be re-elected at the 2018 AGM:

1. **Mr OR Pui Kwan**, aged 39, has been an *Executive Director* of the Company since September 2005. He is responsible for the development of corporate strategies, corporate planning and day-to-day management of the Company. Mr Or joined the Company in May 2003 and is also a director of certain subsidiaries of the Group. He has attained solid working experience in various companies engaged in property development, securities investment, information technology, product research and development. Mr Or holds a Bachelor of Combined Science degree from the University College London. He is the son of Mr Or Wai Sheun and Ms Ng Chi Man and the brother-in-law of Mr Lam Yung Hei.

Save as disclosed above, Mr Or did not hold any other directorships in listed companies in the last three years.

As at the Latest Practicable Date, other than as disclosed below, Mr Or did not have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations which were required to be disclosed under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”).

(i) Interests in the shares of the Company

<i>Nature of interests</i>	<i>No. of ordinary shares</i>	<i>Note</i>
Beneficiary of a trust	830,770,124	(1)
Personal	43,500	
	<hr/>	
	830,813,624	

(ii) Interests in the shares of Polytec Asset Holdings Limited (“Polytec Asset”)

<i>Nature of interests</i>	<i>No. of ordinary shares</i>	<i>Note</i>
Beneficiary of a trust	3,260,004,812	(2)
Personal	7,000,000	
	<hr/>	
	3,267,004,812	

Notes:

- (1) Such interest in shares is held by Intellinsight Holdings Limited, a wholly-owned subsidiary of Polytec Holdings International Limited which is wholly-owned by Ors Holdings Limited (“OHL”). OHL is in turn wholly-owned by a discretionary trust, the trustee of which is HSBC International Trustee Limited. As Mr Or is one of the discretionary objects of the trust, he is taken to be interested in the same block of shares held by the trust.
- (2) Such interest in shares of Polytec Asset is held by Marble King International Limited, a wholly-owned subsidiary of the Company. By virtue of the deemed interest in the shares of the Company as described in note (1) above, Mr Or is taken to be interested in the shares of Polytec Asset.

There is a service contract between Mr Or and the Company. The service contract has no specified length nor proposed length of services but Mr Or’s term as an Executive Director is subject to retirement by rotation and re-election by the shareholders at the annual general meeting of the Company as and when required under the Articles and the Listing Rules. The Company can determine the service contract without payment of compensation (other than statutory compensation). Mr Or will receive such director’s fees and other emoluments as the Board may determine from time to time pursuant to the power given to it under the Articles or otherwise granted to the Board by the shareholders of the Company. In determining the director’s fee and other emoluments for Mr Or, the Board will take into account the prevailing market practice, workload, scale and complexity of the Company’s business and the responsibility involved. Mr Or received emoluments amounting to HK\$1,309,790 from the Company for the year ended 31 December 2017.

2. **Mr YEUNG Kwok Kwong**, aged 59, has been a *Non-executive Director* of the Company since January 2002. He is also the managing director of Polytec Asset, a separately listed subsidiary of the Company, and a director of certain subsidiaries of the Group. Mr Yeung has over 35 years of experience in finance, accounting, financial and operational management and corporate planning. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

Save as disclosed above, Mr Yeung did not hold any other directorships in listed companies in the last three years and does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, other than as disclosed below, Mr Yeung did not have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations which were required to be disclosed under Part XV of the SFO.

(i) Interest in the shares of the Company

<i>Nature of interest</i>	<i>No. of ordinary shares</i>
Personal	180,000

(ii) Interest in the shares of Polytec Asset

<i>Nature of interest</i>	<i>No. of ordinary shares</i>
Personal	2,000,000

There is a service contract between Mr Yeung and the Company. The service contract has no specified length nor proposed length of services but Mr Yeung's term as a Non-executive Director is subject to retirement by rotation and re-election by the shareholders at the annual general meeting of the Company as and when required under the Articles and the Listing Rules. The Company can determine the service contract without payment of compensation (other than statutory compensation). Mr Yeung will receive such director's fees and other emoluments as the Board may determine from time to time pursuant to the power given to it under the Articles or otherwise granted to the Board by the shareholders of the Company. In determining the director's fee and other emoluments for Mr Yeung, the Board will take into account the prevailing market practice, workload, scale and complexity of the Company's business and the responsibility involved. Mr Yeung received a total of HK\$3,597,930 comprising director's fee of HK\$270,000 for being a Non-executive Director of the Company and other emoluments of HK\$3,327,930 for being a managing director of a listed member of the Group for the year ended 31 December 2017.

3. **Mr LOK Kung Chin, Hardy**, aged 68, has been an *Independent Non-executive Director* of the Company since January 2002. He is the managing director of The Sun Company, Limited and has over 40 years of experience in building and engineering construction work. Mr Lok graduated in Civil Engineering from the University of Manchester Institute of Science & Technology. He is a member of both the Institution of Civil Engineers and the Hong Kong Institution of Engineers, and a fellow member of the Hong Kong Institute of Construction Managers.

Mr Lok does not hold any positions with the Company or its subsidiaries, other than that of an Independent Non-executive Director of the Company. Mr Lok was appointed in 2002 and hence, has served the Board for more than 9 years. The Company has continued to receive written confirmation from him annually on his independence, and by reference to the Listing Rules which set out certain criteria on independence of the Non-executive Directors, the Board considers that Mr Lok is independent. Further, in view of the extensive knowledge and experience of Mr Lok, the Board believes that his re-election is in the best interests of the Company and its shareholders as a whole.

Save as disclosed above, Mr Lok did not hold any other directorships in listed companies in the last three years and does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, other than as disclosed below, Mr Lok did not have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations which were required to be disclosed under Part XV of the SFO.

Interest in the shares of the Company

<i>Nature of interest</i>	<i>No. of ordinary shares</i>	<i>Note</i>
Founder and beneficiary of trusts	1,425,000	(1)

Note:

- (1) Such interest in shares is owned by discretionary trusts of which Mr Lok is the founder and a beneficiary respectively.

There is a service contract between Mr Lok and the Company. The service contract has no specified length nor proposed length of services but Mr Lok's term as a Non-executive Director is subject to retirement by rotation and re-election by the shareholders at the annual general meeting of the Company as and when required under the Articles and the Listing Rules. The Company can determine the service contract without payment of compensation (other than statutory compensation). Mr Lok will receive such director's fees as the Board may determine from time to time pursuant to the power given to it under the Articles or otherwise granted to the Board by the shareholders of the Company. In determining the director's fee and other emoluments for Mr Lok, the Board will take into account the prevailing market practice, workload, scale and complexity of the Company's business and the responsibility involved. Save for a director's fee of HK\$270,000, Mr Lok did not receive any other emolument from the Company for the year ended 31 December 2017.

Save as disclosed herein, there is no other matters in relation to Mr Or Pui Kwan, Mr Yeung Kwok Kwong and Mr Lok Kung Chin, Hardy that need to be brought to the attention of the shareholders of the Company nor information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

NOMINATION BY SHAREHOLDERS

Article 109 of the Articles provides that no person, other than a retiring Director, shall be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall be given to the Company at least seven days before the date of general meeting. Such period for lodgement of the notices shall commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days.

APPENDIX I INFORMATION ON RE-ELECTION OF DIRECTORS

Accordingly, if a shareholder of the Company, who is duly qualified to attend and vote at the general meeting convened to deal with the appointment or election of Director(s), intends to propose a person for election as a Director, the shareholder concerned shall lodge a written notice at the Company's registered office at 23rd Floor, Pioneer Centre, 750 Nathan Road, Kowloon, Hong Kong, for the attention of the Company Secretary of the Company stating (i) his/her intention to propose such person for election as a Director; and (ii) the biographical details of the nominated candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company. Such written notice should be signed by the shareholder concerned and the person who has been proposed indicating his/her willingness to be elected.

In order to ensure shareholders of the Company have sufficient time to receive and consider the information of the nominated candidate(s), shareholders are urged to submit their proposals as early as practicable, preferably before 5:00 pm (Hong Kong time) on Friday, 1 June 2018.

This appendix serves as an explanatory statement to the shareholders as required under the Rule 10.06(1)(b) of the Listing Rules in connection with the Repurchase Mandate and also constitutes the memorandum required under Section 239 of the Companies Ordinance.

1. SHAREHOLDERS' APPROVAL

The Listing Rules provide that all proposed share repurchase on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval in relation to specific transactions, and the shares proposed to be purchased by the company must be fully-paid up.

2. NUMBER OF SHARES SUBJECT TO THE REPURCHASE MANDATE

As at the Latest Practicable Date, the number of the issued Shares was 1,176,631,296 Shares. Subject to the passing of the necessary ordinary resolution and assuming that no further Shares are issued or repurchased prior to the 2018 AGM, up to 117,663,129 Shares, representing 10% of the total number of the issued Shares as at the date of passing the resolution at the 2018 AGM (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with Section 170(2)(e) of the Companies Ordinance after the passing of the relevant resolution), may be repurchased by the Company.

3. SOURCE OF FUNDS

The Company may only apply funds legally available for the repurchase of Shares in accordance with the Articles, the Listing Rules and the applicable laws of Hong Kong. The Companies Ordinance provides that the repurchase of Shares may be made either out of distributable profits or the proceeds of a new issue of shares made for such purpose.

4. REASONS FOR REPURCHASE

The Board believes that it is in the best interests of the Company and its shareholders as a whole for the Directors to have a general authority from the shareholders to repurchase Shares on the stock market at any appropriate time. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such purchases will benefit the Company and its shareholders as a whole.

5. FINANCIAL EFFECT OF REPURCHASE

There may be a material adverse effect on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements as at 31 December 2017) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. GENERAL

None of the Directors nor, to their best knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules) have any present intention to sell any of the Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by shareholders.

The Directors have undertaken to the Stock Exchange, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any of the Shares to the Company, or have undertaken not to do so, if the Repurchase Mandate is approved by shareholders.

If, as a result of a repurchase of the Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Code on Takeovers and Mergers (the "**Takeovers Code**"). As a result, a shareholder or a group of shareholders acting in concert could, depending on the level of increase of shareholding interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. As at the Latest Practicable Date, based on information available to the Company, the Company's single largest registered shareholder, Intellinsight Holdings Limited ("**Intellinsight**") (ultimately wholly-owned by a discretionary family trust of which Mr Or Wai Sheun, Ms Ng Chi Man, Mr Or Pui Kwan and Ms Or Pui Ying, Peranza (the spouse of Mr Lam Yung Hei) are four of the eligible beneficiaries), held 830,770,124 Shares which represented approximately 70.61% of the number of the issued Shares. In the event that the Directors exercise the power in full to repurchase Shares pursuant to the Repurchase Mandate, the shareholding held by Intellinsight would increase to approximately 78.45% of the number of the issued Shares. Such increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

In the event of an exercise of the Repurchase Mandate, public shareholding in the Company may be reduced to below 25% which will be in breach of the Listing Rules. In accordance with the aforesaid undertaking and unless otherwise approved by the Stock Exchange, the Directors will refrain from exercising the power conferred by the Repurchase Mandate if it will result in a breach of the Listing Rules.

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

APENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months up to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
April	8.85	8.05
May	8.75	8.18
June	8.94	8.31
July	8.72	8.40
August	9.00	8.36
September	9.12	8.71
October	8.99	8.64
November	8.75	8.24
December	8.32	8.03
2018		
January	8.49	8.25
February	8.49	7.98
March	9.15	8.31
April (up to the Latest Practicable Date)	8.93	8.80

NOTICE OF ANNUAL GENERAL MEETING



九龍建業有限公司 KOWLOON DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 34)

NOTICE IS HEREBY GIVEN that the annual general meeting of Kowloon Development Company Limited (the “**Company**”) will be held at U Banquet, 6th Floor, Pioneer Centre, 750 Nathan Road, Kowloon, Hong Kong on Wednesday, 27 June 2018 at 11:30 am (Hong Kong time) for the following purposes:

As Ordinary Business

Ordinary Resolutions

- (1) To receive and consider the audited financial statements together with the reports of the directors and the auditor thereon for the year ended 31 December 2017.
- (2) To declare a final dividend for the year ended 31 December 2017.
- (3) To re-elect directors and authorise the board of directors of the Company to fix the directors’ remuneration.
- (4) To re-appoint KPMG as auditor and authorise the board of directors of the Company to fix the auditor’s remuneration.

As Special Business

Ordinary Resolutions

To consider and, if thought fit, to pass with or without modification the following resolutions as ordinary resolutions:

- (5) “**THAT:**
 - (A) subject to paragraph (C) of this Resolution and pursuant to Section 141 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such power be generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (B) the approval in paragraph (A) of this Resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (C) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) an issue of shares upon the exercise of options granted under any share option scheme adopted by the Company, or (iii) an issue of shares as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, or (iv) an issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any of the securities which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the total number of the issued shares of the Company at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares in accordance with Section 170(2)(e) of the Companies Ordinance after the passing of this Resolution) and the said approval shall be limited accordingly; and
- (D) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance and/or the Company’s Articles of Association to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by the Company in general meeting; and

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, Hong Kong or any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

(6) “**THAT:**

- (A) subject to paragraph (B) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own shares, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be generally and unconditionally approved;
- (B) the total number of shares of the Company which may be repurchased on The Stock Exchange of Hong Kong Limited or any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Repurchases pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the total number of the issued shares of the Company at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares in accordance with Section 170(2)(e) of the Companies Ordinance after the passing of this Resolution) and the said approval shall be limited accordingly; and
- (C) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance and/or the Company’s Articles of Association to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- (7) “**THAT** conditional upon the passing of Resolutions (5) and (6) as set out in the notice convening this meeting, the general mandate granted to the directors of the Company pursuant to Resolution (5) as set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the total number of shares of the Company repurchased by the Company under the authority granted pursuant to Resolution (6) as set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the total number of the issued shares of the Company as at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares in accordance with Section 170(2)(e) of the Companies Ordinance after the passing of this Resolution).”

By Order of the Board
Kowloon Development Company Limited
Lee Kuen Chiu
Company Secretary

Hong Kong, 27 April 2018

Notes:

1. Any member entitled to attend and vote at the annual general meeting of the Company is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority under which it is signed or a notarially certified copy thereof, must be deposited at the office of the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours (excluding Sunday and public holidays) before the time appointed for holding the meeting or any adjournment thereof.
3. For the purpose of determining shareholders' eligibility to attend and vote at the annual general meeting of the Company, the Register of Members of the Company will be closed from Friday, 22 June 2018 to Wednesday, 27 June 2018, both dates inclusive. During which period, no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting of the Company, 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 Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 pm (Hong Kong time) on Thursday, 21 June 2018.
4. For the purpose of determining shareholders' entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Monday, 9 July 2018 to Tuesday, 10 July 2018, both dates inclusive. During which period, no transfer of shares will be registered. In order to qualify for the proposed final 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 the abovementioned address for registration not later than 4:30 pm (Hong Kong time) on Friday, 6 July 2018.
5. All resolutions set out in this notice will be taken by poll at the meeting.
6. The English text of this notice shall prevail over the Chinese text.