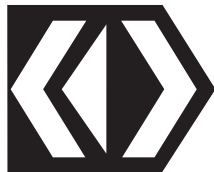


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## **KOWLOON DEVELOPMENT COMPANY LIMITED**

*(incorporated in Hong Kong with limited liability)*

### **PLACING OF EXISTING SHARES**

**AND**

### **WAIVER APPLICATION FROM STRICT COMPLIANCE**

### **WITH RULE 8.08 OF THE LISTING RULES**

- Intellinsight and parties acting in concert with it now control 418,023,083 shares in Kowloon Development representing 86.4% of the issued share capital of Kowloon Development.
- As the number of shares in Kowloon Development held in public hands is below the minimum prescribed percentage laid down in Rule 8.08 of the Listing Rules, Kowloon Development has applied for an extension of the waiver from strict compliance with Rule 8.08 for a further period until 11th June, 2002.

Further to the announcement dated 7th March, 2002 in which Kowloon Development stated that it had been informed that Intellinsight Holdings Limited and parties acting in concert with it held 86.9% of the issued share capital of Kowloon Development, a further application has been made by Kowloon Development for a temporary waiver from strict compliance with Rule

8.08 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited until 11th June, 2002.

From 8th March, 2002 to 10th May, 2002, Intellinsight and parties acting in concert with it have reduced their shareholding by 2,156,800 shares to 418,023,083 shares representing 86.4% of the issued share capital of Kowloon Development. The decrease of 2,156,800 shares or 0.5% of the issued share capital of Kowloon Development is the net effect of the placing of 7,294,000 shares by Intellinsight to an independent third party which completed on 8th March, 2002 and 5,137,200 shares tendered under section 168 of the Companies Ordinance from 8th March, 2002 to 22nd April, 2002. Intellinsight has informed the board of Kowloon Development that it is continuing to take active steps to place further shares with the objective of meeting the requirements of Rule 8.08 and a number of potential placees have been identified and it is aiming to effect the reduction of its shareholding below 75% through a single placing exercise.

Intellinsight has further informed the board of Kowloon Development that Cazenove Asia Limited has been appointed as the placing agent to assist in the placing of shares in Kowloon Development recently.

The Stock Exchange has stated that for so long as the shares in Kowloon Development remain listed on the Stock Exchange, if less than 25% of the shares in Kowloon Development are in public hands, it will closely monitor trading in the shares. If the Stock Exchange believes that a false market exists or may exist in the shares in Kowloon Development or there are insufficient shares in Kowloon Development in public hands to maintain an orderly market, it will give consideration to exercising its discretion to suspend trading in the shares in Kowloon Development.

By order of the board of  
**Kowloon Development Company Limited**  
**Ma Mi Chun, Conita**  
*Company Secretary*

Hong Kong, 10th May, 2002

"Please also refer to the published version of this announcement in the Hong Kong i-mail"