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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 form of proxy to the purchaser or the transferee or the agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

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

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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 form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or adjourned meeting thereof to the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

27 April 2012

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## LETTER FROM THE BOARD

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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)**

*Executive Directors*

Or Wai Sheun (*Chairman*)  
Ng Chi Man  
Lai Ka Fai  
Or Pui Kwan

*Registered Office*

23rd Floor, Pioneer Centre  
750 Nathan Road  
Kowloon  
Hong Kong

*Non-executive Directors*

Keith Alan Holman (*Deputy Chairman*)  
Tam Hee Chung  
Yeung Kwok Kwong

*Independent Non-executive Directors*

Li Kwok Sing, Aubrey  
Lok Kung Chin, Hardy  
Seto Gin Chung, John  
David John Shaw

27 April 2012

*To the Shareholders*

Dear Sir or Madam,

**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 the Company to be held on Thursday, 28 June 2012 (the “AGM”).

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

In accordance with Article 105 of the Articles of Association of the Company, Ms Ng Chi Man, Mr Or Pui Kwan, Mr Keith Alan Holman, Mr Li Kwok Sing, Aubrey and Mr Tam Hee Chung (collectively, the “**Retiring Directors**”) will retire at the AGM. With the exception of Mr Tam Hee Chung who is to retire, the aforesaid directors being eligible, have offered themselves for re-election. The biographical details of the Retiring Directors who have offered themselves for re-election are set out in Appendix I to this circular.

Mr Tam Hee Chung will retire as a Non-executive Director with effect from the conclusion of the AGM due to his decision to devote more time to other business commitments.

### GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 27 June 2011, general mandates were given to the directors of the Company (the “**Directors**”) to allot, issue and deal with additional shares of nominal value of HK\$0.10 each in the share capital of the Company (“**Share(s)**”) and to exercise the powers of the Company to repurchase its own Shares. Under 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 AGM.

At the AGM, ordinary resolutions as referred in items (5), (6) and (7) of the notice convening the 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 issued share capital of the Company as at the date of 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 issued share capital of the Company as at the date of 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 2012, 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 issued share capital of the Company was 1,150,681,275 Shares. If the ordinary resolution granting the Issue Mandate to the Directors is passed at the AGM, and assuming no further Shares are issued or repurchased prior to the AGM, up to 230,136,255 Shares, representing 20% of aggregate nominal amount of the issued share capital of the Company as at the date of passing the ordinary resolution at the AGM, may be issued by the Company.

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## LETTER FROM THE BOARD

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The Directors consider 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 Directors believe 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 AGM is set out on pages 12 to 15 of this circular.

A form of proxy for the AGM is enclosed. Whether or not you intend to attend the AGM, please complete and return the proxy form in accordance with the instructions printed thereon not later than 48 hours before the time appointed for holding the AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM if you so wish. In such event, the form of proxy 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 AGM will therefore put each of the resolutions to be proposed at the AGM to be voted by way of a poll pursuant to Article 75 of the Company's Articles of Association.

### RECOMMENDATION

The Directors consider that the Proposals are in the best interests of the Company and its shareholders as a whole and recommend that the shareholders to vote in favour of all the resolutions to be proposed at the AGM.

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

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

1. **NG Chi Man**, aged 59, has been an Executive Director of the Company since January 2002. Ms Ng is responsible for the development of corporate strategies, corporate planning and general management of the Company. She is also a director of both Polytec Holdings International Limited and Intellinsight Holdings Limited, all being the substantial shareholders of the Company. Ms Ng has over 30 years of experience in property development, industrial and financial investment business in Hong Kong, Macau and Mainland China. She is the wife of Mr Or Wai Sheun and the mother of Mr Or Pui Kwan.

Save as disclosed above, Ms Ng 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, Ms Ng 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.

**(i) Interests in the shares of the Company**

<i>Nature of interest</i>	<i>No. of shares</i>	<i>Note</i>
Beneficiary of a trust	830,770,124	(1)

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

<i>Nature of interest</i>	<i>No. of shares</i>	<i>Note</i>
Beneficiary of a trust	3,260,004,812	(2)

*Notes:*

- (1) Such interest in shares is held by Intellinsight Holdings Limited, a wholly-owned subsidiary of Polytec Holdings International Limited which is ultimately wholly-owned by a discretionary trust, the trustee of which is Or Family Trustee Limited Inc. The said trust is in turn wholly-owned by another discretionary trust, the trustee of which is HSBC International Trustee Limited. As Mr Or Wai Sheun is the founder of the trust and the discretionary objects of the trust include Ms Ng Chi Man (his wife), she is taken to be interested in the same block of shares held by the trust.
- (2) Such interest in shares 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, Ms Ng Chi Man is taken to be interested in the shares of Polytec Asset Holdings Limited.

There is no service contract between Ms Ng and the Company. She is not appointed for a specified term but 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 of Association of the Company and the Listing Rules. Ms Ng will receive such director's fee and other emoluments as the Board of Directors may determine from time to time pursuant to the power given to it under the Articles of Association or otherwise granted to

the Board of Directors by the shareholders of the Company. In determining the director's fee and other emoluments for Ms Ng, the Board of Directors will take into account the prevailing market practice, workload, scale and complexity of the Company's business and the responsibility involved. Ms Ng did not receive any director's fee and emoluments from the date of appointment as Director to the year ended 31 December 2011.

2. **OR Pui Kwan**, aged 33, 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 has attained solid working experience in various companies engaged in property development, securities investment, information technology, product research and development. He 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.

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.

**(i) Interests in the shares of the Company**

<i>Nature of interest</i>	<i>No. of 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**

<i>Nature of interest</i>	<i>No. of shares</i>	<i>Note</i>
Beneficiary of a trust	3,260,004,812	(2)

*Notes:*

- (1) Such interest in shares is held by Intellinsight Holdings Limited, a wholly-owned subsidiary of Polytec Holdings International Limited which is ultimately wholly-owned by a discretionary trust, the trustee of which is Or Family Trustee Limited Inc. The said trust is in turn wholly-owned by another discretionary trust, the trustee of which is HSBC International Trustee Limited. As Mr Or Wai Sheun is the founder of the trust and the discretionary objects of the trust include Mr Or Pui Kwan (his son), he is taken to be interested in the same block of shares held by the trust.
- (2) Such interest in shares 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 Pui Kwan is taken to be interested in the shares of Polytec Asset Holdings Limited.

There is a service contract between Mr Or and the Company. The service contract has no specified length nor proposed length of services and can be determined by the Company without payment of compensation (other than statutory compensation). His term as an Executive Director shall 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 of Association of the Company and the Listing Rules. Mr Or will receive such director's fee and other emoluments as the Board of Directors may determine from time to time pursuant to the power given to it under the Articles of Association or otherwise granted to the Board of Directors by the shareholders of the Company. In determining the director's fee and other emoluments for Mr Or, the Board of Directors 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\$858,000 from the Company for the year ended 31 December 2011.

3. **Keith Alan HOLMAN**, aged 67, is the Deputy Chairman of the Company. He has been a Non-executive Director since January 2002. He is a director of, inter alia, Or Family Trustee Limited Inc. and Warner Estates Holdings PLC, a company listed on the London Stock Exchange and a founding partner of the Lantern Group which invests in United Kingdom property and shares. Mr Holman has an aggregate of over 35 years of experience in corporate finance, investment banking and property investment. He graduated from Oxford University and has a professional qualification as a solicitor.

Mr Holman does not hold any positions with the Company or its subsidiaries, other than that of a Non-executive Director of the Company. Save as disclosed above, Mr Holman 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 Holman 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.

**(i) Interests in the shares of the Company**

<i>Nature of interest</i>	<i>No. of shares</i>
Personal	642,000

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

<i>Nature of interest</i>	<i>No. of shares</i>
Personal	722,000



There is a service contract between Mr Holman and the Company. The service contract has no specified length nor proposed length of services and can be determined by the Company without payment of compensation (other than statutory compensation). His term as a Non-executive Director shall 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 of Association of the Company and the Listing Rules. Mr Holman will receive such director's fee as the Board of Directors may determine from time to time pursuant to the power given to it under the Articles of Association or otherwise granted to the Board of Directors by the shareholders of the Company. In determining the director's fee and other emoluments for Mr Holman, the Board of Directors 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\$220,000, Mr Holman did not receive other emolument from the Company for the year ended 31 December 2011.

4. **LI Kwok Sing, Aubrey**, aged 62, has been an Independent Non-executive Director of the Company since January 2002. Mr Li is the chairman of MCL Partners Limited, a Hong Kong based financial advisory and investment firm, and has over 35 years of experience in merchant banking and commercial banking. He is also a non-executive director of The Bank of East Asia, Limited (listed on the Stock Exchange of Hong Kong) and an independent non-executive director of Café de Coral Holdings Limited, China Everbright International Limited, Kunlun Energy Company Limited, Pokfulam Development Company Limited and Tai Ping Carpets International Limited (each of them is listed on the Stock Exchange of Hong Kong). Mr Li holds a Master's degree in Business Administration from Columbia University and a Bachelor of Science degree in Civil Engineering from Brown University.

Mr Li does not hold any positions with the Company or its subsidiaries, other than that of an Independent Non-executive Director of the Company. Mr Li 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 sets out certain criteria on independence of the Non-executive Directors, the Board considers that Mr Li is independent. Further, in view of the extensive knowledge and experience of Mr Li, 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 Li 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, Mr Li 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.

There is a service contract between Mr Li and the Company. The service contract has no specified length nor proposed length of services and can be determined by the Company without payment of compensation (other than statutory compensation). His term as a

Non-executive Director shall 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 of Association of the Company and the Listing Rules. Mr Li will receive such director's fee as the Board of Directors may determine from time to time pursuant to the power given to it under the Articles of Association or otherwise granted to the Board of Directors by the shareholders of the Company. In determining the director's fee and other emoluments for Mr Li, the Board of Directors 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\$220,000, Mr Li did not receive other emolument from the Company for the year ended 31 December 2011.

Save as disclosed herein, there are no other matters in relation to Ms Ng Chi Man, Mr Or Pui Kwan, Mr Keith Alan Holman and Mr Li Kwok Sing, Aubrey 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 of Association of the Company 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 lodgment 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.

Accordingly, if a shareholder wishes to propose a person for election as a Director at that meeting, he/she shall have to lodge a written notice which must state (i) his/her intention to propose such person for election as a Director, and (ii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company and be signed by the shareholder concerned and the person who has been proposed indicating his/her willingness to be elected at the Company's registered office at 23/F., Pioneer Centre, 750 Nathan Road, Kowloon, Hong Kong, for the attention of the Company Secretary of the Company.

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 p.m. on Friday, 11 May 2012.

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 49BA of the Companies Ordinance.

## **1.    SHAREHOLDERS' APPROVAL**

The Listing Rules provides 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 issued share capital of the Company comprised 1,150,681,275 Shares. Subject to the passing of the necessary ordinary resolution and assuming that no further Shares are issued or repurchased prior to the AGM up to 115,068,127 Shares, representing 10% of the issued share capital of the Company as at the date of passing the resolution at the AGM, 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 its Articles of Association, the Listing Rules and the applicable laws of Hong Kong. The Companies Ordinance provides that the repurchases 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 Directors believe 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 enable the Company 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 2011) 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 or, 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 person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell any of the Shares to the Company, or has 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 (ultimately wholly-owned by a discretionary family trust of which Mr Or Wai Sheun, Ms Ng Chi Man, Mr Or Pui Kwan and their family members are beneficiaries), held 830,770,124 Shares which represented approximately 72.20% of the issued share capital of the Company. In the event that the Directors exercise the power in full to repurchase Shares pursuant to the Repurchase Mandate, the shareholding held by Intellinsight Holdings Limited would increase to approximately 80.22% of the issued share capital of the Company. 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.

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**APPENDIX II      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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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:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2011</b>		
April	10.66	10.06
May	10.96	9.96
June	11.14	10.20
July	11.20	9.93
August	10.64	8.55
September	9.50	6.60
October	7.95	5.90
November	7.74	6.35
December	6.96	6.30
<b>2012</b>		
January	7.49	6.76
February	8.83	7.26
March	8.82	7.78
April (up to the Latest Practicable Date)	8.26	7.51

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Kowloon Development Company Limited (the “**Company**”) will be held at Crystal Ballroom, Basement 3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 28 June 2012 at 11:00 a.m. for the following purposes:

#### **As Ordinary Business**

##### **Ordinary Resolutions**

- (1) To receive and consider the audited accounts together with the reports of the directors and auditors thereon for the year ended 31 December 2011.
- (2) To declare a final dividend for the year ended 31 December 2011.
- (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 auditors and authorise the board of directors of the Company to fix the auditors’ 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 57B of 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 in the capital 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;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 aggregate nominal amount of share capital 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 aggregate nominal amount of the issued share capital of the Company at the date of passing 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 in the share capital 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).”

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## NOTICE OF ANNUAL GENERAL MEETING

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(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 aggregate nominal amount of shares 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 aggregate nominal amount of the issued share capital of the Company at the date of passing 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.”
- (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 aggregate nominal amount of share capital 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 aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution.”

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

Hong Kong, 27 April 2012



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## NOTICE OF ANNUAL GENERAL MEETING

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*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 needs not be a member of the Company.
2. To be valid, the form of proxy, together with any power of attorney or other authority under which it is signed or a notarially certified copy thereof, must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting thereof.
3. All resolutions set out in this notice will be taken by poll at the meeting.
4. The English text of this notice shall prevail over the Chinese text.