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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

The crude oil production of the South Alibek Oilfield of Caspi Neft TME, a wholly-owned subsidiary of Polytec Asset, in Kazakhstan is still remaining temporarily suspended and the operating profit from the oil exploration and production activities of the Group in 2013 may be adversely affected.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Reference are made to the announcement of Kowloon Development Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 3 January 2013 and the announcement of Polytec Asset Holdings Limited (“**Polytec Asset**”) (Stock Code: 208), a 73.4%-owned listed subsidiary of the Company, dated 1 February 2013 for the temporary suspension of crude oil production of the South Alibek Oilfield of Caspi Neft TME, a wholly-owned subsidiary of Polytec Asset, in Kazakhstan.

The board of directors (the “**Board**”) of the Company is informed by the directors of Polytec Asset that the crude oil production of the South Alibek Oilfield of Caspi Neft TME in Kazakhstan is still remaining temporarily suspended. The application of gas flaring permit for the South Alibek Oilfield for 2013 is still pending for the approval from the Kazakhstan Government. Management of Polytec Asset has been taking all necessary steps to obtain the permit. The production will be resumed as soon as practicable upon the permit is obtained. Further announcements will be made by the Company as soon as practicable upon further information is received.

Due to the temporary suspension of production of crude oil, the operating profit from the oil exploration and production activities of the Group in 2013 may be adversely affected.

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, 1 February 2013

As at the date of this announcement, the Directors of the Company are Mr Or Wai Sheun (Chairman), Ms Ng Chi Man, Mr Lai Ka Fai and Mr Or Pui Kwan as Executive Directors; Mr Keith Alan Holman (Deputy Chairman) 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.