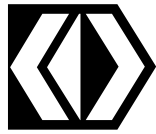


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九龍建業有限公司
KOWLOON DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 34)

MAJOR TRANSACTION

**ACQUISITION OF ALL THE ISSUED SHARES OF
WINSWORLD PROPERTIES LIMITED AND THE SALE LOAN**

On 15 October 2004, the Purchaser and the Company entered into the Agreement under which the Purchaser is to acquire all of the issued shares of the Property Co and the Sale Loan for a cash consideration of HK\$1,342,000,000.

Pursuant to the Agreement, the parties to the Agreement and All Victory agreed to enter into a formal sale and purchase agreement (“Formal Agreement”) on or before 5 November 2004. The Formal Agreement has not yet been executed to date and the parties to the Agreement are and will continue negotiating the terms of the Formal Agreement. However, pursuant to the Agreement, the Company has paid the Further Deposit to Seller’s Solicitors as escrow agent on 5 November 2004. The terms of the Agreement will remain binding on the parties. A further announcement will be made in the event of any new developments in this regard.

Shareholders and investors should note that the Acquisition is subject to conditions, including that the parties satisfying all relevant requirements of the Listing Rules. The Stock Exchange has indicated concern as to whether Mexan can comply with the requirements of Rule 14.92 in respect of restrictions on disposal of assets by Mexan. Accordingly, the Acquisition may or may not complete. Shareholders should exercise caution when dealing in the Shares.

The Directors refer to the announcement of the Company dated 21 October 2004 in relation to the Acquisition (“Announcement”) and a further announcement dated 1 November 2004. Terms used in this announcement shall have the same meanings as defined in the Announcement. On 15 October 2004, the Purchaser and the Company entered into the Agreement under which the Purchaser is to acquire all of the issued shares of the Property Co and the Sale Loan for a cash consideration of HK\$1,342,000,000. The Property Co’s principal asset is the Property being the commercial and car park complex of a building known as the “Elizabeth House” located at numbers 250 to 254 of Gloucester Road, Causeway Bay, Hong Kong.

Pursuant to the Agreement, the Formal Agreement was to be executed by the parties to the Agreement and All Victory on or before 5 November 2004. The Formal Agreement has not yet been executed and the parties to the Agreement are and will continue negotiating the terms of the Formal Agreement. However, pursuant to the Agreement, the Company has paid the Further Deposit to Seller’s Solicitors as escrow

agent on 5 November 2004. The reason for the delay is that the parties have yet to finalise the terms of the Formal Agreement. The terms of the Agreement will remain binding. A further announcement will be made in the event of any new developments in this regard.

Shareholders and investors should note that the Acquisition is subject to conditions, including that the parties satisfying all relevant requirements of the Listing Rules. The Stock Exchange has indicated concern as to whether Mexan can comply with the requirements of Rule 14.92 in respect of restrictions on disposal of assets by Mexan. Accordingly, the Acquisition may or may not complete. Shareholders should exercise caution when dealing in the Shares.

DIRECTORS OF THE COMPANY

At the date of this announcement, the Directors are Mr. Or Wai Sheun, Ms. Ng Chi Man, Mr. Lai Ka Fai, the non-executive Directors are Mr. Keith Alan Holman, Mr. Tam Hee Chung, Mr. Yeung Kwok Kwong and the independent non-executive Directors are Mr. Chau Cham Son, Mr. Li Kwok Sing, Aubrey, Mr. Lok Kung Chin, Hardy and Mr. Seto Gin Chung, John.

By Order of the Board
KOWLOON DEVELOPMENT COMPANY LIMITED
Or Wai Sheun
Chairman

Hong Kong, 9 November 2004

Please also refer to the published version of this announcement in the South China Morning Post.