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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)

DISCLOSEABLE TRANSACTION

ACQUISITION OF LAND BY PUBLIC TENDER

The Board is pleased to announce that on 17 December 2014, Henmell, as the Tenderer of the Land, an indirect wholly-owned subsidiary of the Company, has received the Letter of Acceptance in relation to successfully tendered for the Land situated at Yau Tong Inland Lot No. 42 at Lei Yue Mun Path, Lei Yue Mun, Kowloon, Hong Kong, on a 50-year land grant at a premium of HK\$1,582,000,000.

As the applicable percentage ratios in respect of the Acquisition are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 17 December 2014, Henmell, as the Tenderer of the Land, an indirect wholly-owned subsidiary of the Company, has received the Letter of Acceptance in relation to successfully tendered for the Land situated at Yau Tong Inland Lot No. 42 at Lei Yue Mun Path, Lei Yue Mun, Kowloon, Hong Kong, on a 50-year land grant at a premium of HK\$1,582,000,000.

DETAILS OF THE TENDER AND THE ACQUISITION

Parties

- (1) The Government of Hong Kong, as the Vendor, an Independent Third Party; and
- (2) Henmell, as the Tenderer of the Land, an indirect wholly-owned subsidiary of the Company.

Information of the Land

Location : Yau Tong Inland Lot No. 42 at Lei Yue Mun Path, Lei Yue Mun, Kowloon, Hong Kong

Site area : Approximately 3,240 sq.m.

Maximum permissible gross floor area : Approximately 29,160 sq.m. including the gross floor area of a public vehicle park

Permitted use : Non-industrial (excluding godown, hotel and petrol filling station) purposes and the total number of residential units to be built shall not be less than 345

Premium and Payment Terms

The premium of the Land is HK\$1,582,000,000.

On 12 December 2014, Henmell paid HK\$25,000,000 as the deposit for the tender (which will then form part of the premium). The memorandum of agreement will be signed between the Vendor and the Tenderer within 14 days of the date of the Letter of Acceptance. The balance of the premium will be payable within 28 days of the date of the Letter of Acceptance, upon which completion of the Acquisition will take place.

The premium payable on completion of the Acquisition by Henmell will be financed by a contribution of the Group's internal resources and external resources (including, where appropriate, from bank borrowings).

REASON FOR THE ACQUISITION

The Company is principally engaged in property development and property investment in Hong Kong, Macau and Mainland China.

The Acquisition of the Land will further enhance the land portfolio of the Group. The Acquisition is therefore in line with the business strategy of the Group.

The Board considers that the terms and conditions for the Acquisition are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

GENERAL

As the applicable percentage ratios in respect of the Acquisition are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Acquisition”	the acquisition of the Land by the Tenderer through public tender
“Board”	the board of Directors
“Company”	Kowloon Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Land”	Yau Tong Inland Lot No. 42 at Lei Yue Mun Path, Lei Yue Mun, Kowloon, Hong Kong
“Letter of Acceptance”	the letter of the tender acceptance by the Vendor to the Tenderer dated 17 December 2014
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hemell” or “Tenderer”	Hemell Investment Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Vendor”	the Government of Hong Kong
“%”	per cent
“sq.m.”	square metre

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

Hong Kong, 17 December 2014

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