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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)**

**INSIDE INFORMATION**

The board of directors (the “**Board**”) of Kowloon Development Company Limited (the “**Company**”) together with its subsidiaries, the “**Group**”) makes this announcement pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcement and the circular of the Company dated 10 April 2006 and 23 May 2006 respectively in relation to the acquisition of the entire issued share capital in New Bedford Properties Limited (“**New Bedford**”) which was approved by the independent shareholders at the extraordinary general meeting of the Company held on 12 June 2006, and the announcement of Polytec Asset Holdings Limited (“**Polytec Asset**”) (Stock Code: 208), a 73.4%-owned listed subsidiary of the Company, dated 23 November 2015. New Bedford has co-investment rights in three property development projects located at Novos Aterros da Areia Preta, Macau.

The Board of the Company has been informed by the directors of Polytec Asset of the matters as below.

**Co-investment rights in property development projects in Macau**

In respect of the development project located at Lote P, Novos Aterros da Areia Preta, Macau (the “**Project**”), and under the related land concession (the “**Concession**”), the Project has to be completed and fulfilled all the conditions associated with the Concession on or before 25 December 2015 (the “**Expiry Date**”).

**The new Land Law in Macau**

In September 2013, the Macau Special Administrative Region Government (the “**Macau SAR Government**”) promulgated the Macau new Land Law (the “**MNLL**”) which came into effect in March 2014. The MNLL provides that the Macau SAR Government will be entitled to reclaim the land of any property development that is not completed or fails to fulfil the conditions stated in the land concession by the stipulated expiry date without any compensation to the property owner.

## **Application for extension of Expiry Date**

Owing to the delay by the Macau SAR Government in granting the requisite approvals and permits for the development of the Project, construction work on the Project did not commence until August 2014. As a result, the Project cannot be completed before the Expiry Date. An application has been made to the Macau SAR Government for an extension of the Expiry Date for five years to 25 December 2020.

As at the date of this announcement, the Macau SAR Government has not indicated whether an extension will be granted. If the Expiry Date is not extended, the Macau SAR Government may exercise its right under the MNLL to reclaim the land of the Project without any compensation to New Bedford. It is expected that the Macau SAR Government will announce the decision on the measure to be adopted to deal with the aforesaid issue of the Project on or before 10 December 2015. In any case, the management of Polytec Asset will take necessary and appropriate action to protect the interests of Polytec Asset.

Further announcement(s) will be made to keep the market informed on the development of the case upon receipt of further information.

**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, 23 November 2015

*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; 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.*