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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**

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 (excluding public holidays) before the time appointed for holding the meeting or any adjournment thereof to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 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.

28 April 2016

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LETTER FROM THE BOARD



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*)

Lai Ka Fai

Or Pui Kwan

Registered Office

23rd Floor, Pioneer Centre

750 Nathan Road

Kowloon

Hong Kong

Non-executive Directors

Ng Chi Man

Yeung Kwok Kwong

Independent Non-executive Directors

Li Kwok Sing, Aubrey

Lok Kung Chin, Hardy

Seto Gin Chung, John

David John Shaw

28 April 2016

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 Tuesday, 28 June 2016 (the “AGM”).

RE-ELECTION OF DIRECTORS

In accordance with Article 105 of the Articles of Association of the Company, Mr Or Wai Sheun, Mr Seto Gin Chung, John and Mr David John Shaw (collectively, the “Retiring Directors”) will retire at the AGM. The Retiring Directors, being eligible, offer themselves for re-election. Their biographical details are set out in Appendix I to this circular.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 27 May 2015, general mandates were given to the directors of the Company (the “**Directors**”) to allot, issue and deal with additional shares of the Company and to exercise the powers of the Company to repurchase its own Shares. Under the Hong Kong Companies Ordinance (Cap. 622) (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 of the Company (“**Shares**”) up to a maximum of 20% of the total number of the issued Shares as at the date of passing of the relevant resolution (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with section 170(2)(e) of the Companies Ordinance after the 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 total number of the issued Shares as at the date of passing of the relevant resolution (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with section 170(2)(e) of the Companies Ordinance after the 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 25 April 2016, 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 number of the issued Shares 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 the total number of the issued Shares as at the date of passing the ordinary resolution at the AGM (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with section 170(2)(e) of the Companies Ordinance after the passing of the relevant resolution), may be issued by the Company.

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.

LETTER FROM THE BOARD

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 less than 48 hours (excluding public holidays) 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

APPENDIX I INFORMATION ON RE-ELECTION OF DIRECTORS

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

1. **OR Wai Sheun**, aged 64, is the *Chairman* of the Company. He has been an *Executive Director* since January 2002 and is responsible for the development of corporate strategies, corporate planning and general management of the Company. Mr Or is also the chairman of Polytec Asset Holdings Limited (“**Polytec Asset**”), a separately listed subsidiary of the Company. He is the chairman of both Polytec Holdings International Limited (“**Polytec Holdings**”), the sole shareholder of Intellinsight Holdings Limited (“**Intellinsight**”), and Intellinsight, the substantial shareholder of the Company. Mr Or has over 30 years of experience in property development, industrial and financial investment business in Hong Kong, Macau and Mainland China. He is the husband of Ms Ng Chi Man and the father of Mr Or Pui Kwan.

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 interests</i>	<i>No. of ordinary shares</i>	<i>Note</i>
Founder and beneficiary of a trust	830,770,124	(1)
Corporate	277,500	(2)
	<hr/> 831,047,624	

(ii) Interest in the shares of Polytec Asset

<i>Nature of interest</i>	<i>No. of ordinary shares</i>	<i>Note</i>
Founder and beneficiary of a trust	3,260,004,812	(3)

Notes:

- (1) Such interest in shares is held by Intellinsight, a wholly-owned subsidiary of Polytec Holdings which is wholly-owned by Ors Holdings Limited (“**OHL**”). OHL is in turn wholly-owned by a discretionary trust, the trustee of which is HSBC International Trustee Limited. As Mr Or Wai Sheun is the founder and one of the discretionary objects of the trust, he is taken to be interested in the same block of shares held by the trust.
- (2) Such interest in shares is held by China Dragon Limited which is wholly-owned by Mr Or Wai Sheun.
- (3) 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 Wai Sheun is taken to be interested in the shares of Polytec Asset.

There is a service contract between Mr Or and the Company. The service contract has no specified length nor proposed length of services but Mr Or's term as an Executive Director 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. The Company can determine the service contract without payment of compensation (other than statutory compensation). Mr Or will receive such director's fees 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 did not receive any director's fees and other emoluments from the date of appointment as Director to the year ended 31 December 2015.

2. **SETO Gin Chung, John**, aged 67, has been an *Independent Non-executive Director* of the Company since January 2002. He is a director of Pacific Eagle Asset Management Limited. Prior to his retirement with effect from the conclusion of the annual general meeting of Sateri Holdings Limited ("**Sateri Holdings**", now known as Bracell Limited, a company listed on the Stock Exchange of Hong Kong) on 21 May 2013, he has acted as a non-executive director of Sateri Holdings as well. He is also an independent non-executive director of China Everbright Limited, and an independent non-executive director and the chairman of the board of Hop Hing Group Holdings Limited (both companies are listed on the Stock Exchange of Hong Kong). He was a non-executive director of Hong Kong Exchanges and Clearing Limited from 2000 to 2003 and was the chief executive officer of HSBC Broking Services (Asia) Limited from 1982 to 2001. Mr Seto was a council member of The Stock Exchange of Hong Kong Limited from 1994 to 2000 and was the first vice chairman from 1997 to 2000. Mr Seto holds a Master of Business Administration degree from New York University and has over 40 years of experience in the securities and futures industry.

Mr Seto does not hold any positions with the Company or its subsidiaries, other than that of an Independent Non-executive Director of the Company. Mr Seto 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 Seto is independent. Further, in view of the extensive knowledge and experience of Mr Seto, 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 Seto 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 Seto 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 Seto and the Company. The service contract has no specified length nor proposed length of services but Mr Seto's term as a Non-executive Director 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. The Company can determine the service contract without payment of compensation (other than statutory compensation). Mr Seto will receive such director's fees 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 Seto, 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\$250,000, Mr Seto did not receive any other emoluments from the Company for the year ended 31 December 2015.

3. **David John SHAW**, aged 69, has been an *Independent Non-executive Director* of the Company since June 2007. Mr Shaw acted as Adviser to the Board of HSBC Holdings plc from June 1998 until 30 September 2013 and as adviser to HSBC's Group Chairman and Group Chief Executive until 30 September 2015. He is also an independent non-executive director of Shui On Land Limited (listed on the Stock Exchange of Hong Kong). Mr Shaw is a solicitor, admitted in England and Wales and in Hong Kong. He was a partner of Norton Rose from 1973 to 1998 and during that period spent approximately 20 years working in Hong Kong.

Mr Shaw does not hold any positions with the Company or its subsidiaries, other than that of an Independent Non-executive Director of the Company. Mr Shaw was appointed in 2007 and upon 1 June 2016, will serve 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 Shaw is independent. Further, in view of the extensive knowledge and experience of Mr Shaw, 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 Shaw 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 Shaw 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 interests</i>	<i>No. of ordinary shares</i>	<i>Note</i>
Personal	133,500	
Family	67,000	(1)
	<hr/>	
	200,500	

Note:

- (1) Such interest in shares is held by the spouse of Mr Shaw.

There is a service contract between Mr Shaw and the Company. The service contract has no specified length nor proposed length of services but Mr Shaw's term as a Non-executive Director 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. The Company can determine the service contract without payment of compensation (other than statutory compensation). Mr Shaw will receive such director's fees 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 Shaw, 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\$250,000, Mr Shaw did not receive any other emoluments from the Company for the year ended 31 December 2015.

Save as disclosed herein, there is no other matters in relation to Mr Or Wai Sheun, Mr Seto Gin Chung, John and Mr David John Shaw 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.

APPENDIX I INFORMATION ON RE-ELECTION OF DIRECTORS

Accordingly, if a shareholder who is duly qualified to attend and vote at the general meeting convened to deal with the appointment or election of Director(s), wishes to propose a person for election as a Director, he/she shall have to issue 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. Such written notice should be signed by the shareholder concerned and the person who has been proposed indicating his/her willingness to be elected and should be lodged at the Company's registered office at 23rd Floor, 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 Monday, 6 June 2016.

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 239 of the Companies Ordinance.

1. SHAREHOLDERS' APPROVAL

The Listing Rules provide 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 number of the issued Shares was 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 total number of the issued Shares as at the date of passing the resolution at the AGM (subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares in accordance with section 170(2)(e) of the Companies Ordinance after the passing of the relevant resolution), 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 repurchase of Shares 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 2015) 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 nor, 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 (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 number of the issued Shares. In the event that the Directors exercise the power in full to repurchase Shares pursuant to the Repurchase Mandate, the shareholding held by Intellinsight would increase to approximately 80.22% of the number of the issued Shares. 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.

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:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
April	9.95	8.94
May	10.32	9.90
June	10.40	9.43
July	10.10	8.66
August	10.06	8.56
September	9.25	8.68
October	9.32	8.70
November	9.02	8.55
December	8.97	7.59
2016		
January	7.62	6.15
February	6.47	5.70
March	7.27	5.80
April (up to the Latest Practicable Date)	7.91	7.02

NOTICE OF ANNUAL GENERAL MEETING



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 U Banquet, 6th Floor, Pioneer Centre, 750 Nathan Road, Kowloon, Hong Kong on Tuesday, 28 June 2016 at 11:00 a.m. for the following purposes:

As Ordinary Business

Ordinary Resolutions

- (1) To receive and consider the audited financial statements together with the reports of the directors and auditor thereon for the year ended 31 December 2015.
- (2) To declare a final dividend for the year ended 31 December 2015.
- (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 auditor and authorise the board of directors of the Company to fix the auditor’s 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 141 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 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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 total number of shares 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 total number of the issued shares of the Company at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance after the passing of 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 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).”

NOTICE OF ANNUAL GENERAL MEETING

(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 total number 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 total number of the issued shares of the Company at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance after the passing of 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.”

NOTICE OF ANNUAL 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 total number of shares 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 total number of the issued shares of the Company as at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance after the passing of this Resolution).”

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

Hong Kong, 28 April 2016

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 need 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 deposited at the office of the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours (excluding public holidays) before the time appointed for holding the meeting or any adjournment 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.