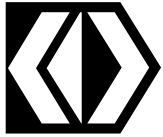


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九龍建業有限公司
KOWLOON DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 34)

VERY SUBSTANTIAL ACQUISITION
ACQUISITION OF SHENZHEN PROPERTIES &
RESOURCES DEVELOPMENT (GROUP) LIMITED
— FURTHER DELAY IN DESPATCH OF CIRCULAR

On 6 April 2005, the Company announced a proposal to acquire an approximately 70.3% of the issued shares of Shenzhen Properties for an aggregate cash consideration of RMB458,576,423.93 (or approximately HK\$432,619,267.86).

Under the Listing Rules, the Company is required to despatch the Circular in relation to the Acquisition to the Shareholders on or before 28 April 2005. The Company has subsequently applied to the Stock Exchange for an extension of time to despatch the Circular to on or before 31 May 2005. As the Company's advisers are still in the process of preparing the necessary financial and other information for inclusion in the Circular, additional time is required by the Company to prepare the Circular. Accordingly, the Company has applied to the Stock Exchange for a further extension of time to despatch the Circular to on or before 30 June 2005.

The Directors refer to the announcement of the Company dated 6 April 2005 in relation to the Acquisition ("Announcement"). Terms used in this announcement shall have the same meanings as defined in the Announcement. On 1 April 2005, the Purchaser, Shenzhen Construction Investment Holdings and Shenzhen Investment Management Corporation entered into the Agreement under which the Purchaser agreed to acquire an approximately 70.3% of the issued shares of Shenzhen Properties for an aggregate cash consideration of RMB458,576,423.93 (or approximately HK\$432,619,267.86).

Under the Listing Rules, the Company is required to despatch a circular in relation to the Acquisition to the Shareholders within 21 days after the publication of the Announcement, i.e. on or before 28 April 2005. The Company has subsequently applied to the Stock Exchange for an extension of time to despatch the Circular to on or before 31 May 2005. The Company has engaged advisers in the preparation of extensive financial and other information for inclusion in the Circular, including financial information on Shenzhen Properties, the Group and pro forma information on the combined Group and the independent valuation on the extensive property portfolios of the Group and Shenzhen Properties. Based on the progress of preparation to date and taking into account the extensive information necessary to be prepared, the Directors estimate that additional time is required by the Company to prepare the Circular. Accordingly, the Company has applied to the Stock Exchange for a further extension of time to despatch the Circular to on or before 30 June 2005. Further announcement will be made by the Company regarding the despatch of the Circular.

Directors of the Company

At the date of this announcement, the Board of Directors of the Company comprises of three Executive Directors, being Mr. Or Wai Sheun (Chairman), Ms. Ng Chi Man and Mr. Lai Ka Fai; three Non-executive Directors, being Mr. Keith Alan Holman (Deputy Chairman), Mr. Tam Hee Chung and Mr. Yeung Kwok Kwong; and four Independent Non-executive Directors, being 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, 31 May 2005

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