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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 accompanying with the proxy form to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS AND
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 16 of this circular. Whether or not you intend to attend the meeting or any adjournment thereof, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours (excluding Sunday and 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 proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof if you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of the shareholders and to prevent and control the spreading of coronavirus disease 2019 (COVID-19), the Company will implement the following precautionary measures at the 2020 AGM:

1. compulsory body temperature checks
2. compulsory wearing of surgical mask (attendees should bring their own masks)
3. no provision of refreshments, drinks, takeaways, gifts or coupons

Attendee who does not comply with the precautionary measures or is subject to any HKSAR Government prescribed quarantine may be denied entry into the 2020 AGM venue, at the absolute discretion of the Company as permitted by law. As it is required to keep sufficient social distancing among all attendees, limited number of seats will be provided.

The Company would like to encourage the shareholders to exercise their rights by appointing the Chairman of the 2020 AGM as a proxy to vote on the relevant resolutions instead of attending the 2020 AGM in person.

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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

Mr Or Wai Sheun (*Chairman*)

Mr Lai Ka Fai

Mr Or Pui Kwan

Mr Lam Yung Hei

Registered Office

23rd Floor, Pioneer Centre

750 Nathan Road

Kowloon

Hong Kong

Non-executive Directors

Ms Ng Chi Man

Mr Yeung Kwok Kwong

Independent Non-executive Directors

Mr Li Kwok Sing, Aubrey

Mr Lok Kung Chin, Hardy

Mr Seto Gin Chung, John

Mr David John Shaw

29 April 2020

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR 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 Kowloon Development Company Limited (the “**Company**”) to be held on Wednesday, 10 June 2020 (the “**2020 AGM**”).

RE-ELECTION OF DIRECTORS

In accordance with Article 105 of the Articles of Association of the Company (the “**Articles**”), Mr Lai Ka Fai, Mr Lam Yung Hei, Ms Ng Chi Man and Mr Li Kwok Sing, Aubrey (collectively, the “**Retiring Directors**”) will retire at the 2020 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

Recommendations were made by the Nomination Committee of the Company (the “**Nomination Committee**”) to the board of directors of the Company (the “**Board**”) for the proposed re-election of Mr Lai Ka Fai and Mr Lam Yung Hei as Executive Directors, Ms Ng Chi Man as a Non-executive Director and Mr Li Kwok Sing, Aubrey as an Independent Non-executive Director after having reviewed their suitability according to the assessment parameters as set out in the Director Nomination Policy of the Company and the diversity aspects (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) as set out in the Board Diversity Policy of the Company and/or the independence criteria as set out in Rule 3.13 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Mr Li has served the Board for more than 9 years and the Company has continued to receive written confirmation from him annually on his independence.

The Board, by taking into account the extensive knowledge and experience, diversity of skills and perspectives as well as contributions of the Retiring Directors to the Board, accepts the recommendations from the Nomination Committee, considers that Mr Li is independent, believes that the re-election of the Retiring Directors is in the best interests of the Company and its shareholders as a whole and recommends to the shareholders of the Company the proposed re-election of the Retiring Directors as directors of the Company (the “**Directors**”) at the 2020 AGM.

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 5 June 2019, general mandates were given to the Directors to allot, issue and deal with additional shares of the Company (“**Shares**”) and to exercise the powers of the Company to repurchase its own shares. Under the Companies Ordinance (the “**Companies Ordinance**”) (Chapter 622 of the Laws of Hong Kong) and the Listing Rules, these general mandates will lapse at the conclusion of the 2020 AGM.

At the 2020 AGM, ordinary resolutions as referred in items (5), (6) and (7) of the notice convening the 2020 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 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.

LETTER FROM THE BOARD

As at 24 April 2020, 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 1,176,631,296 Shares. If the ordinary resolution granting the Issue Mandate to the Directors is passed at the 2020 AGM, and assuming no further Shares are issued or repurchased prior to the 2020 AGM, up to 235,326,259 Shares, representing 20% of the total number of the issued Shares as at the date of passing the ordinary resolution at the 2020 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 Board considers 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.

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 Board believes 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

A notice convening the 2020 AGM is set out on pages 12 to 16 of this circular.

A proxy form for the 2020 AGM is enclosed. Whether or not you intend to attend the 2020 AGM or any adjournment thereof, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours (excluding Sunday and public holidays) before the time appointed for holding the 2020 AGM 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 proxy form will not preclude you from attending and voting in person at the 2020 AGM or any adjournment thereof if you so wish. In such event, the proxy form shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the 2020 AGM will therefore put each of the resolutions to be proposed at the 2020 AGM to be voted by way of a poll pursuant to Article 75 of the Articles.

RECOMMENDATION

The Board considers that the Proposals are in the best interests of the Company and its shareholders as a whole and recommends that the shareholders to vote in favour of all the resolutions to be proposed at the 2020 AGM.

Yours faithfully,
For and on behalf of the Board
Kowloon Development Company Limited
Or Wai Sheun
Chairman

APPENDIX I INFORMATION ON RE-ELECTION OF DIRECTORS

The followings are particulars of the Retiring Directors (as required by the Listing Rules) proposed to be re-elected at the 2020 AGM:

1. **Mr LAI Ka Fai**, aged 55, has been an *Executive Director* of the Company since January 2002. He is responsible for the development of corporate strategies, corporate planning and day-to-day management of the Company. Mr Lai is also a non-executive director of Polytec Asset Holdings Limited (“**Polytec Asset**”), a separately listed subsidiary of the Company, and a director of Intellinsight Holdings Limited (“**Intellinsight**”), the substantial shareholder of the Company, and certain subsidiaries of the Group. He has over 30 years of experience in finance, accounting, financial and operational management and corporate planning. Mr Lai graduated from the University of East Anglia in the United Kingdom with a Bachelor’s degree in Science. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Save as disclosed above, Mr Lai 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 Lai 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 (“**SFO**”) (Chapter 571 of the Laws of Hong Kong).

(i) Interest in the shares of the Company

| <i>Nature of interest</i> | <i>No. of ordinary shares</i> |
|---------------------------|-------------------------------|
| Personal | 751,000 |

(ii) Interest in the shares of Polytec Asset

| <i>Nature of interest</i> | <i>No. of ordinary shares</i> |
|---------------------------|-------------------------------|
| Personal | 505,100 |

There is a service contract between Mr Lai and the Company. The service contract has no specified length nor proposed length of services but Mr Lai’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 and the Listing Rules. The Company can terminate the service contract without payment of compensation (other than statutory compensation). Mr Lai will receive such director’s fees and other emoluments as the Board may determine from time to time pursuant to the power given to it under the Articles or otherwise granted to the Board by the shareholders of the Company. In determining the director’s fee and other emoluments for Mr Lai, the Board will take into account the prevailing market practice, workload, scale and complexity of the Company’s business and the responsibility involved. Mr Lai received a total of HK\$3,398,660 comprising emoluments of HK\$3,198,660 for being an Executive Director of the Company and director’s fee of HK\$200,000 for being a non-executive director of a listed member of the Group for the year ended 31 December 2019.

2. **Mr LAM Yung Hei**, aged 40, has been an *Executive Director* of the Company since July 2016. He is responsible for the development of corporate strategies, corporate planning and day-to-day management of the Company, and overseeing construction management of the Group. Mr Lam is also a director of certain subsidiaries of the Group. He has over 15 years of experience in Hong Kong property development, merger and acquisition and information technology. Mr Lam holds a Master of Commerce (Information Systems and Management) degree and a Bachelor of Science (Computer Science) degree both from University of New South Wales, Sydney. He is the son-in-law of Mr Or Wai Sheun and Ms Ng Chi Man and the brother-in-law of Mr Or Pui Kwan.

Save as disclosed above, Mr Lam 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 Lam 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 SFO.

Interest in the shares of Polytec Asset

| <i>Nature of interest</i> | <i>No. of ordinary shares</i> | <i>Note</i> |
|---------------------------|-------------------------------|-------------|
| Family | 7,000,000 | (1) |

Note:

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

There is a service contract between Mr Lam and the Company. The service contract has no specified length nor proposed length of services but Mr Lam'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 and the Listing Rules. The Company can terminate the service contract without payment of compensation (other than statutory compensation). Mr Lam will receive such director's fees and other emoluments as the Board may determine from time to time pursuant to the power given to it under the Articles or otherwise granted to the Board by the shareholders of the Company. In determining the director's fee and other emoluments for Mr Lam, the Board will take into account the prevailing market practice, workload, scale and complexity of the Company's business and the responsibility involved. Mr Lam received emoluments amounting to HK\$1,591,200 from the Company for the year ended 31 December 2019.

3. **Ms NG Chi Man**, aged 67, has been an Executive Director of the Company since January 2002 and re-designated as a *Non-executive Director* of the Company since April 2013. She is also a director of New Explorer Developments Limited ("**New Explorer**"), the sole shareholder of Intellinsight, Intellinsight, the substantial shareholder of the Company, and certain subsidiaries of the Group. Ms Ng has over 35 years of experience in property development, industrial and financial investment business in Hong Kong, Mainland China and Macau. She is the spouse of Mr Or Wai Sheun, the mother of Mr Or Pui Kwan and the mother-in-law of Mr Lam Yung Hei.

Save as disclosed above, Ms Ng 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, Ms Ng 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 SFO.

There is a service contract between Ms Ng and the Company. The service contract has no specified length nor proposed length of services but Ms Ng'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 and the Listing Rules. The Company can terminate the service contract without payment of compensation (other than statutory compensation). Ms Ng will receive such director's fees and other emoluments as the Board may determine from time to time pursuant to the power given to it under the Articles or otherwise granted to the Board by the shareholders of the Company. In determining the director's fee and other emoluments for Ms Ng, the Board 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\$280,000, Ms Ng did not receive any other emolument from the Company for the year ended 31 December 2019.

4. **Mr LI Kwok Sing, Aubrey**, aged 70, has been an *Independent Non-executive Director* of the Company since January 2002. Mr Li is a director of IAM Family Office Limited (formerly known as IAM Holdings (Hong Kong) Limited), a Hong Kong based investment firm, and has over 40 years of experience in merchant banking and commercial banking. He is also a non-executive director of The Bank of East Asia, Limited (listed on the Stock Exchange) and an independent non-executive director of Café de Coral Holdings Limited, Kunlun Energy Company Limited, Pokfulam Development Company Limited and Tai Ping Carpets International Limited (each of them is listed on the Stock Exchange). Mr Li was an independent non-executive director of China Everbright International Limited, a company listed on the Stock Exchange, from November 1998 to May 2017 as well. Mr Li holds a Master's degree in Business Administration from Columbia University and a Bachelor of Science degree in Civil Engineering from Brown University.

Mr Li does not hold any positions with the Company or its subsidiaries, other than that of an Independent Non-executive Director of the Company.

Save as disclosed above, Mr Li 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 Li 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 SFO.

There is a service contract between Mr Li and the Company. The service contract has no specified length nor proposed length of services but Mr Li'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 and the Listing Rules. The Company can terminate the service contract without payment of compensation (other than statutory compensation). Mr Li will receive such director's fees and other emoluments as the Board may determine from time to time pursuant to the power given to it under the Articles or otherwise granted to the Board by the shareholders of the Company. In determining the director's fee and other emoluments for Mr Li, the Board 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\$280,000, Mr Li did not receive any other emolument from the Company for the year ended 31 December 2019.

Save as disclosed herein, there is no other matters in relation to the Retiring Directors 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 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 lodgement 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.

Accordingly, if a shareholder of the Company, who is duly qualified to attend and vote at the general meeting convened to deal with the appointment or election of Director(s), intends to propose a person for election as a Director, the shareholder concerned shall lodge a written notice 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 stating (i) his/her intention to propose such person for election as a Director; and (ii) the biographical details of the 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.

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 pm (Hong Kong time) on Tuesday, 19 May 2020.

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 1,176,631,296 Shares. Subject to the passing of the necessary ordinary resolution and assuming that no further Shares are issued or repurchased prior to the 2020 AGM, up to 117,663,129 Shares, representing 10% of the total number of the issued Shares as at the date of passing the resolution at the 2020 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 the Articles, 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 Board believes 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 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 2019) 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 the 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 persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any of the Shares to the Company, or have undertaken not to do so, if the Repurchase Mandate is approved by the 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 Mr Or Wai Sheun through New Explorer), held 831,047,624 Shares representing approximately 70.63% 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 78.48% 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> |
|---|-------------------------------|------------------------------|
| 2019 | | |
| April | 10.88 | 9.87 |
| May | 10.80 | 10.18 |
| June | 10.58 | 9.71 |
| July | 10.96 | 9.86 |
| August | 9.98 | 8.88 |
| September | 9.40 | 9.10 |
| October | 10.14 | 9.13 |
| November | 10.00 | 9.31 |
| December | 9.77 | 9.30 |
| 2020 | | |
| January | 9.99 | 9.25 |
| February | 9.65 | 9.15 |
| March | 9.49 | 7.68 |
| April (up to the Latest Practicable Date) | 8.87 | 8.35 |

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 OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Kowloon Development Company Limited (the “**Company**”) will be held at Chiu Garden, 4th Floor, Pioneer Centre, 750 Nathan Road, Kowloon, Hong Kong on Wednesday, 10 June 2020 at 11:30 am (Hong Kong time) (the “**2020 AGM**”) 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 the auditor thereon for the year ended 31 December 2019.
- (2) To declare a final dividend for the year ended 31 December 2019.
- (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 “**Companies Ordinance**”) (Chapter 622 of the Laws of Hong Kong), 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 of the Company 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 of the Company 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, 29 April 2020

Notes:

1. Any shareholder entitled to attend and vote at the 2020 AGM 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 shareholder of the Company.
2. To be valid, the proxy form, 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 Sunday and public holidays) before the time appointed for holding the 2020 AGM or any adjournment thereof.
3. For the purpose of determining shareholders' eligibility to attend and vote at the 2020 AGM, the Register of Members of the Company will be closed from Friday, 5 June 2020 to Wednesday, 10 June 2020, both dates inclusive. During the aforementioned period, no transfer of shares will be registered. In order to be eligible to attend and vote at the 2020 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 pm (Hong Kong time) on Thursday, 4 June 2020.
4. For the purpose of determining shareholders' entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Wednesday, 17 June 2020 to Thursday, 18 June 2020, both dates inclusive. During the aforementioned period, no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at the abovementioned address for registration not later than 4:30 pm (Hong Kong time) on Tuesday, 16 June 2020.
5. All resolutions set out in this notice will be taken by poll at the 2020 AGM.

NOTICE OF ANNUAL GENERAL MEETING

6. To safeguard the health and safety of the shareholders and to prevent and control the spreading of coronavirus disease 2019 (COVID-19), the Company will implement the following precautionary measures at the 2020 AGM:
 - (a) Compulsory body temperature checks will be conducted on every attendee at the entrance of the 2020 AGM venue. Any person with a body temperature of over 37.5 degrees Celsius, has any flu-like symptoms or is otherwise unwell may be denied entry into the venue.
 - (b) All attendees are required to wear surgical masks before they are permitted to attend and throughout their attendance of the 2020 AGM. Please note that no surgical masks will be provided by the Company and attendees should bring and wear their own surgical masks.
 - (c) No refreshments or drinks will be served and no takeaways, gifts or coupons will be distributed to the attendees at the 2020 AGM.
 - (d) It is required to keep sufficient social distancing among all attendees. As a result, only a limited number of seats will be provided.
7. Attendee who does not comply with the precautionary measures or is subject to any HKSAR Government prescribed quarantine may be denied entry into the 2020 AGM venue or required to leave the venue, at the absolute discretion of the Company as permitted by law.
8. To protect the shareholders from the risk of infection, the Company would like to encourage the shareholders to exercise their rights by appointing the Chairman of the 2020 AGM as a proxy to vote on the relevant resolutions instead of attending the 2020 AGM in person.
9. Subject to the development of COVID-19 in Hong Kong, the Company may be required to change the 2020 AGM arrangements at short notice. Shareholders should check the Company's website for future announcements and updates on the arrangements, if any.
10. The English text of this notice shall prevail over the Chinese text in case of inconsistency.