



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 (“Meeting”) of Kowloon Development Company Limited (the “Company”) will be held at the Crystal Ballroom, Basement 3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Kowloon, Hong Kong on Monday, 8 May 2006 at 11:00 a.m. for the following purposes:

As Ordinary Business

Ordinary Resolutions

- (1) To receive and consider the Audited Accounts and the Reports of the Directors and Auditors for the year ended 31 December 2005.
- (2) To declare a final dividend.
- (3) To re-elect Directors and authorise the Board of Directors of the Company to fix their remuneration.
- (4) To re-appoint Auditors and to authorise the Board of Directors of the Company to fix their remuneration.

As Special Business

Ordinary Resolutions

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

(5) **THAT:**

- (A) subject to paragraph (C) of this Resolution, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital 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;
- (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 aggregate nominal amount of share capital 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 defined in paragraph (D) of this Resolution); or (ii) the exercise of options granted under any share option scheme adopted by the Company; or (iii) any scrip dividend 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 are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing 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 law and/or the Company’s articles of association to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares 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 outside Hong Kong).

(6) **THAT:**

- (A) subject to paragraph (B) of this Resolution, the exercise by the Directors of the Company during the Relevant Period 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 aggregate nominal amount of shares which may be repurchased on The Stock Exchange of Hong Kong Limited or any other stock exchange on which the securities of the Company may be listed and which is recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the

aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly;

(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 law and/or the Company’s articles of association to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.

(7) **THAT:**

conditional upon the passing of Resolutions (5) and (6) as set out in this notice convening the Meeting of which this Resolution forms part, the general mandate granted to the Directors of the Company pursuant to Resolution (5) as set out in this notice convening the Meeting of which this Resolution forms part be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution (6) as set out in this notice convening the Meeting of which this Resolution forms part, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution.

Special Resolution

To amend the Company’s articles of association by passing the following resolution as a special resolution:

(8) **THAT:**

the articles of association of the Company be and are hereby amended in the following manner:

- (a) by deleting paragraph (A) of Article 105 in its entirety and replacing it with the following new paragraph:

“(A) Subject to any express terms to the contrary in the relevant resolution for appointing any Director under Article 96, any Director so elected by the Company shall be elected for a term of not more than approximately three years since his last election or re-election expiring at the conclusion of the third annual general meeting of the Company after his election or re-election. The retiring Directors shall be eligible for re-election.”;

- (b) by deleting Article 110 in its entirety and replacing it with the following new Article 110:

“110. The Company shall keep in accordance with the Companies Ordinance a register containing particulars of its Directors and shall from time to time notify the Registrar of Companies of any change that takes place in its register of Directors as required by the Companies Ordinance.”; and

- (c) by deleting “(subject to the proviso to Article 105(A))” in the 3rd line of Article 120.

By Order of the Board
Kowloon Development Company Limited
Wai Yuk Hing, Monica
Company Secretary

Hong Kong, 30 March 2006

Notes:

1. Any member entitled to attend and vote at the Annual General Meeting to be held on 8 May 2006 (“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 member of the Company.
2. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the office of the Company’s registrars, Computershare Hong Kong Investor Services Limited, on 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or adjourned meeting thereof.
3. All Directors, except the Chairman, are subject to retirement by rotation pursuant to the Company’s Articles of Association. At each annual general meeting, one-third of the Directors who have been longest in office since their last election shall retire from office. In addition, any Director appointed by the Board to fill a casual vacancy or as an addition to the Board prior to the annual general meeting shall retire from office at the next following annual general meeting pursuant to the Company’s articles of association. The retiring Directors are eligible for re-election.

In relation to item (3) set out in this Notice regarding re-election of Directors, Mr Chau Cham Son (*Independent Non-executive Director*), Mr Keith Alan Holman (*Deputy Chairman*) and Ms Ng Chi Man (*Executive Director*) will retire at the AGM by rotation. Mr Or Pui Kwan was appointed as an Executive Director of the Company on 9 September 2005 and will also retire at the AGM. Mr Chau Cham Son has informed the Board that he will not stand for re-election. Mr Keith Alan Holman, Ms Ng Chi Man and Mr Or Pui Kwan, being eligible, offer themselves for re-election.

The biographical details and interests in the shares of the Company of all the retiring Directors are provided in the “Profile of Directors and Senior Management” section and the “Report of the Directors” section of the 2005 Annual Report of the Company. All the retiring Directors, except Mr Or Pui Kwan, have not signed any service contract with the Company; they all have no fixed term of Director’s service but are subject to retirement by rotation pursuant to the Company’s articles of association.

Mr Keith Alan Holman is entitled to a Director’s fee to be determined by the Board upon approval by the shareholders at the AGM and his other emoluments are to be determined by the Board with reference to the prevailing market practice, his duties and responsibilities with the Company and his contribution

to the Company. In 2005, Mr Holman received a total emolument of HK\$504,044 (including a Director's fee of HK\$120,000 for being a Non-executive Director) from the Company. He is not related to any Directors, senior management, substantial or controlling shareholders of the Company.

Ms Ng Chi Man is entitled to a Director's fee to be determined by the Board upon approval by the shareholders at the AGM and her other emoluments are to be determined by the Board with reference to the prevailing market practice, her duties and responsibilities with the Company and her contribution to the Company. In 2005, Ms Ng had elected not to receive any emoluments from the Company. Her relationships with the other Directors, senior management, substantial or controlling shareholders of the Company are disclosed under the "Profile of Directors and Senior Management" section and the "Report of the Directors" section of the Company's 2005 Annual Report.

In 2005, Mr Or Pui Kwan received a total of HK\$295,300 for being an Executive Director of the Company since his appointment in September 2005, all of which are covered by a service contract. Mr Or's emoluments will be reviewed annually with reference to the prevailing market practice, his duties and responsibilities with the Company and his contribution to the Company. His relationships with the other Directors, senior management, substantial or controlling shareholders of the Company are disclosed under the "Profile of Directors and Senior Management" section and the "Report of the Directors" section of the Company's 2005 Annual Report.

Save as disclosed herein, there are no other matters relating to the re-election of the above retiring Directors that need to be brought to the attention of the members pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

4. With reference to items (5), (6) and (7) set out in this Notice, the Directors wish to state that they have no immediate plans to repurchase any existing shares or to issue any new shares pursuant to the relevant mandate.
5. In item (8) above, members are asked to approve amendments to the articles of association of the Company for compliance with the recent changes in the Listing Rules. The articles of association of the Company are written in English and hence the Chinese version of the Resolution as set out in item (8) is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this announcement, the Board comprises four Executive Directors, being Mr Or Wai Sheun (Chairman), Ms Ng Chi Man, Mr Lai Ka Fai and Mr Or Pui Kwan; three Non-executive Directors, Mr Keith Alan Holman (Deputy Chairman), Mr Tam Hee Chung and Mr Yeung Kwok Kwong; and four Independent Non-executive Directors, Mr Chau Cham Son, Mr Li Kwok Sing, Aubrey, Mr Lok Kung Chin, Hardy and Mr Seto Gin Chung, John.

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