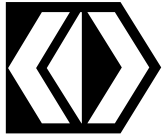


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九龍建業有限公司  
**KOWLOON DEVELOPMENT COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 34)**

**ANNOUNCEMENT**  
**ACQUISITION OF SHENZHEN PROPERTIES &**  
**RESOURCES DEVELOPMENT (GROUP) LIMITED**

Reference is made to the acquisition of an approximately 70.3% interest in Shenzhen Properties. The Purchaser, an 85% owned subsidiary of the Company, has been advised by CSRC that the waiver from the obligation to make a general offer for the remaining issued shares in Shenzhen Properties will not be granted and accordingly the Purchaser will make a general offer for the remaining issued shares in Shenzhen Properties other than those to be acquired by the Purchaser.

**As the terms of the General Offer are subject to final confirmation, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

Reference is made to the announcement of Kowloon Development Company Limited (the “**Company**”) dated 6 April 2005 and the circular of the Company dated 30 June 2005 (the “**Circular**”) in relation to the acquisition of an approximately 70.3% interest in Shenzhen Properties & Resources Development (Group) Limited (“**Shenzhen Properties**”). Terms used herein shall have the same meanings as defined in the Circular unless the context otherwise requires.

The A-Shares and B-Shares of Shenzhen Properties are listed on the Shenzhen Stock Exchange. Under PRC laws and regulations, upon all necessary regulatory approvals being obtained for the Acquisition, Brilliant Idea Investments Limited (the “**Purchaser**”), an 85% owned subsidiary of the Company, will be obliged to make a general offer for the remaining issued shares in Shenzhen Properties other than those to be acquired by the Purchaser. It was disclosed in the Circular that the Purchaser would apply for a waiver from the CSRC from the obligation to make a general offer for the remaining issued shares in Shenzhen Properties and if the waiver is not granted by the CSRC, the Purchaser will make a general offer for the remaining issued shares of Shenzhen Properties.

The Purchaser has been advised by CSRC that the waiver will not be granted and accordingly the Purchaser will make a general offer (the “**General Offer**”) for the remaining issued shares in Shenzhen Properties other than those to be acquired by the Purchaser, comprising domestic legal person shares, listed ordinary shares (A-Shares), domestic listed foreign shares (B-Shares) and non-transferable shares held by senior executives and directors of Shenzhen Properties. The offer price for the General Offer has not been confirmed and is subject to the approval by CSRC, the Company will make further announcement upon the confirmation of the offer price and terms of the General Offer.

**As the terms of the General Offer are subject to final confirmation, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Kowloon Development Company Limited**  
**Or Wai Sheun**  
*Chairman*

Hong Kong, 28 April 2006

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

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