



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 AND
CONNECTED TRANSACTION
RELATING TO
PROPOSED ACQUISITION OF NEW BEDFORD PROPERTIES LIMITED
AND
CONNECTED TRANSACTION
RELATING TO
SUBSCRIPTION FOR NEW SHARES OF
POLYTEC ASSET HOLDINGS LIMITED**

**VOTING RESULT OF EXTRAORDINARY GENERAL MEETING
HELD ON 12 JUNE 2006**

The ordinary resolutions for approving (i) the Sale and Purchase Agreement dated 8 April 2006 and the transactions contemplated thereunder and the provision of loans by New Bedford Properties Limited after it has become a subsidiary of the Company, to Polytex Corporation Limited under the terms of the First Co-Investment Agreement and to Fok Kiu — Properties Investment Company Limited under the terms of the Second Co-Investment Agreement; and (ii) the Connected PAH Agreement dated 5 May 2006 in respect of the issue and subscription of 1,598,000,000 new shares of Polytec Asset Holdings Limited and the transactions contemplated thereunder were duly passed by the Independent Shareholders by way of poll at the EGM held on 12 June 2006.

Reference is made to the announcements of Kowloon Development Company Limited (the “Company”) dated 10 April 2006 and 8 May 2006 and the circular of the Company dated 23 May 2006 (the “Circular”). Terms used herein shall have the same meanings as those defined in the Circular unless otherwise defined herein.

The Board announces that the ordinary resolutions approving (i) the Sale and Purchase Agreement and the transactions contemplated thereunder and the provision of loans by New Bedford Properties Limited after it has become a subsidiary of the Company, to Polytex Corporation Limited under the terms of the First Co-Investment Agreement and to Fok Kiu — Properties Investment Company Limited under the terms of the Second Co-Investment Agreement; and (ii) the Connected PAH Agreement and the transactions contemplated thereunder as set out in the notice of the EGM were duly passed by the Independent Shareholders by way of poll at the EGM held on 12 June 2006.

The Company's share registrar, Computershare Hong Kong Investor Services Limited was appointed as the scrutineer of the vote-taking at the EGM. The result of the poll on the ordinary resolutions is as follows:

Ordinary Resolutions (The ordinary resolutions as set out in the notice of the EGM)	Number of votes (%)	
	For	Against
(1) To approve the Sale and Purchase Agreement dated 8 April 2006 and the transactions contemplated thereunder and the provision of loans by New Bedford Properties Limited to Polytex Corporation Limited under the terms of the First Co-Investment Agreement and to Fok Kiu — Properties Investment Company Limited under the terms of the Second Co-Investment Agreement and the transactions contemplated thereunder.	222,745,943 (97.25%)	6,290,000 (2.75%)
(2) To approve the Connected PAH Agreement dated 5 May 2006 and the transactions contemplated thereunder.	222,745,943 (97.25%)	6,290,000 (2.75%)

As at the date of the EGM, the number of issued shares of the Company was 680,120,850 Shares. As referred to in the Circular, Mr Or Wai Sheun, his family members, the Or Family Trust and their respective associates who were interested in an aggregate of 357,130,083 Shares, representing approximately 52.51% of the issued share capital of the Company, were required to abstain and did abstain from voting on the above resolutions at the EGM. As a result, only the Independent Shareholders holding a total of 322,990,767 Shares, representing approximately 47.49% of the issued share capital of the Company, were entitled to attend and vote for or against the ordinary resolutions proposed at the EGM.

By Order of the Board
KOWLOON DEVELOPMENT COMPANY LIMITED
Wai Yuk Hing, Monica
Company Secretary

Hong Kong, 12 June 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. 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.