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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)**

**COMPLETION FOR THE PLACING OF EXISTING SHARES  
AND  
SUBSCRIPTION OF NEW SHARES**

The Board is pleased to announce that completion of the Placing took place on 20 September 2006 where a total of 87,000,000 Placing Shares (including all the Additional Placing Shares) were placed to more than six placees who are independent of and not connected with any director, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates (as defined in Listing Rules), at the Placing Price per Placing Share.

The Board is also pleased to announce that all the conditions for the Subscription as set out in the paragraph headed “Conditions of the Subscription” in the Placing Announcement have been fulfilled and the Subscription was completed on 28 September 2006.

Following completion of the Placing and the Subscription, the shareholding of the Vendor and its concert parties is diluted from approximately 57.20% of the issued share capital prior to the issue of Subscription Shares to approximately 50.71% of the issued share capital as enlarged by the Subscription Shares.

Reference is made to the announcement of the Company dated 15 September 2006 (the “**Placing Announcement**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Placing Announcement.

The Board is pleased to announce that completion of the Placing took place on 20 September 2006 where a total of 87,000,000 Placing Shares (including all the Additional Placing Shares) were placed to more than six placees who are independent of and not connected with any director, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates (as defined in Listing Rules), at the Placing Price per Placing Share.

Based on information available to the Company, the Board is not aware of any non-substantial shareholder before the Placing who has become a substantial shareholder of the Company immediately following completion of the Placing.

The Board is also pleased to announce that all the conditions for the Subscription as set out in the paragraph headed “Conditions of the Subscription” in the Placing Announcement have been fulfilled and the Subscription was completed on 28 September 2006.

The shareholding structure of the Company prior to the Placing Agreement and immediately after completion of the Placing and of the Subscription are as follows:

<b>Shareholders</b>	<b>Immediately prior to the Placing Agreement</b>		<b>Immediately after completion of the Placing but before the Subscription</b> <i>(Note 1)</i>		<b>Immediately after completion of the Subscription</b> <i>(Note 1)</i>	
	<i>Number of</i>		<i>Number of</i>		<i>Number of</i>	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
The Vendor and its concert parties	389,030,083	57.20%	302,030,083	44.41%	389,030,083	50.71%
Directors <i>(Note 2)</i>	1,243,000	0.18%	1,243,000	0.18%	1,243,000	0.16%
Placees	N/A	N/A	87,000,000	12.79%	87,000,000	11.34%
Other Shareholders	289,847,767	42.62%	289,847,767	42.62%	289,847,767	37.79%
Total	<u>680,120,850</u>	<u>100.00%</u>	<u>680,120,850</u>	<u>100.00%</u>	<u>767,120,850</u>	<u>100.00%</u>

*Note 1:* The number of Shares disclosed without taking into account of 35,100,000 Shares acquired by the Vendor and 670,000 Shares acquired by the Directors during the period from date of the Placing Agreement (i.e. 15 September 2006) to date of completion of the Subscription (i.e. 28 September 2006).

*Note 2:* Directors other than the concert parties of the Vendor.

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

Hong Kong, 29 September 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 South China Morning Post.