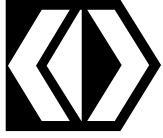


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**九龍建業有限公司**  
**KOWLOON DEVELOPMENT COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 34)**

**MAJOR TRANSACTION  
IN RELATION TO  
PROPOSED INVESTMENT IN A DEVELOPMENT SITE  
IN TIANJIN BY A JOINT VENTURE COMPANY**

**DELAY IN DESPATCH OF CIRCULAR**

Reference is made to the announcement of the Company dated 19 December 2006 (the “Announcement”) in relation to, among other things, the Investment which constitutes a major transaction of the Company under the Listing Rules. Capitalised terms used herein shall have the same meanings as those defined in the Announcement, unless the context otherwise requires.

Pursuant to Rule 14.38 of the Listing Rules, a circular (the “Circular”) containing information in relation to the Investment is required to be despatched to the Shareholders within 21 days after publication of the Announcement, which falls on or before 10 January 2007.

In view of the additional time required to seek further legal advices from the PRC legal adviser of the Company in respect of the Property and to ascertain further details of the Partner, an application has been made to the Stock Exchange for a waiver for the delay in despatch of the Circular. On the basis that such legal advices from the PRC legal adviser of the Company have been received and sufficient details of the Partner have been ascertained, and there is no major outstanding matters, the Directors expect that the Circular will be despatched on or before 22 January 2007.

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

Hong Kong, 10 January 2007

*As at the date of this announcement, the Board comprises of 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, being Mr. Keith Alan Holman (Deputy Chairman), Mr. Tam Hee Chung and Mr. Yeung Kwok Kwong; and three independent non-executive Directors, being 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.