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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)

**RESULTS OF THE EGM AND
DESPATCH OF THE MAJOR TRANSACTION CIRCULAR AND
PROSPECTUS DOCUMENTS RELATING TO THE RIGHTS ISSUE**

The Board announces that the Resolution approving the Capital Increase was duly passed by the Shareholders at the EGM held on 18 January 2007.

Printed copies of the Major Transaction Circular relating to the proposed Investment is expected to be posted to the Shareholders on 19 January 2007.

Printed copies of the prospectus for the Rights Issue, together with the PALs and EAFs, are expected to be despatched to the Qualifying Shareholders, and, for information only, the prospectus to the Excluded Shareholders, on 19 January 2007. **Qualifying Shareholders are reminded that the latest time for application and payment for Rights Shares is 4:00 p.m. on Monday, 5 February 2007.**

Reference is made to the announcements of Kowloon Development Company Limited (the “Company”) dated 19 December 2006 (the “Announcement”), 29 December 2006 and 10 January 2007 and the circular of the Company dated 29 December 2006 in relation to, among other things, the Investment which constitutes a major transaction of the Company under the Listing Rules, the Capital Increase and the Rights Issue. Capitalised terms used herein shall have the same meanings as those defined in the Announcement, unless the context otherwise requires.

Under the Rights Issue, the Qualifying Shareholders are being offered the right to subscribe for the Rights Shares with assured allotments on the basis of 1 Rights Share for every 2 Shares held on the Record Date, at the price of HK\$13.80 per Rights Share.

RESULTS OF THE EGM

The Board is pleased to announce that the ordinary resolution approving the Capital Increase (the “Resolution”) was duly passed at the EGM held on 18 January 2007. The votes were taken in respect of the Resolution by a show of hands. No Shareholder was required to abstain from voting at the EGM in respect of the Resolution. Accordingly, the Capital Increase has become unconditional and effective.

DESPATCH OF THE MAJOR TRANSACTION CIRCULAR

As announced by the Company on 10 January 2007, an application has been made to the Stock Exchange for a waiver to delay the despatch of the circular to Shareholders in relation to the Investment (the “Major Transaction Circular”). The Directors have pleasure to announce that the Circular is expected to be posted to the Shareholders on 19 January 2007.

DESPATCH OF THE PROSPECTUS DOCUMENTS

Subject to the registration and filing of the relevant documents with the Registrar of Companies in Hong Kong, printed copies of the Prospectus Documents are expected to be despatched to the Qualifying Shareholders and, for information only, the prospectus to the Excluded Shareholders on 19 January 2007. **Qualifying Shareholders are reminded that the latest time for application and payment for the Rights Shares is 4:00 p.m. on Monday, 5 February 2007.**

Shareholders should note that the Shares has been dealt in on an ex-rights basis from Friday, 12 January 2007. The Rights Shares in their nil-paid form will be dealt in from Tuesday, 23 January 2007 to Wednesday, 31 January 2007 (both dates inclusive).

Any dealing in the Shares and/or the Rights Shares in their nil-paid form from Tuesday, 23 January 2007 to Wednesday, 31 January 2007 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealing in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their own professional advisers. Any Shareholder or other persons contemplating any dealing in the Shares and/or Rights Shares in their nil-paid form up to the Settlement Time will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

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

Hong Kong, 18 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.