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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 RIGHTS ISSUE OF
383,560,425 RIGHTS SHARES
AT HK\$13.80 PER RIGHTS SHARE
IN THE PROPORTION OF ONE RIGHTS SHARE
FOR EVERY TWO SHARES HELD**

The Directors announce that 803 valid acceptances were received for an aggregate of 376,609,167 Rights Shares under the PALs and 1,577 valid applications were received for an aggregate of 27,296,067 Rights Shares under the EAFs, representing in aggregate approximately 105.3% of the total number of Rights Shares offered under the Rights Issue. The Rights Issue has become unconditional at 4:00 p.m. on 7 February 2007. As a result of the over-subscription of the Rights Shares, the Underwriter under the Underwriting Agreement has not been called upon to take up any Rights Shares.

Share certificates for the Rights Shares and refund cheques in respect of partially unsuccessful excess applications will be despatched by ordinary post to those entitled at their own risk on 12 February 2007.

Dealing in fully-paid Rights Shares will commence upon receipt of the share certificates for the Rights Shares.

Reference is made to the announcements of Kowloon Development Company Limited (the “Company”) dated 19 December 2006 and 29 December 2006 and the prospectus of the Company dated 19 January 2007 (the “Prospectus”) in relation to, among other things, the Rights Issue. Capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus unless the context otherwise requires.

RESULTS OF THE RIGHTS ISSUE

The Directors announce that up to 4:00 p.m. on 5 February 2007, being the latest time for acceptance of and payment for the Rights Shares, 803 valid acceptances were received for an aggregate of 376,609,167 Rights Shares under the PALs and 1,577 valid applications were received for an aggregate of 27,296,067 Rights Shares under the EAFs. The aggregate of 403,905,234 Rights Shares being applied for under the PALs and the EAFs represents approximately 105.3% of the total number of 383,560,425 Rights Shares.

Each of Intellinsight and the Interested Directors had taken up their respective provisional allotment under the Rights Issue of 225,330,041 Rights Shares in aggregate and had not made any application for excess Rights Shares. Intellinsight had acquired 17,292,000 nil-paid Rights Shares on the Stock Exchange and had subscribed for the Rights Shares relating to that 17,292,000 nil-paid Rights Shares.

The Directors are also pleased to announce that all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms by the Underwriter. The Rights Issue has become unconditional at 4:00 p.m. on 7 February 2007. As a result of the over-subscription of the Rights Shares, the Underwriter under the Underwriting Agreement has not been called upon to take up any Rights Shares.

EXCESS APPLICATIONS

Regarding the 1,577 valid applications for Rights Shares under the EAFs, the Directors had resolved to allot, among the 6,951,258 Rights Shares not applied under the PALs, to the applicants in the following manner:

Excess Rights Shares applied for	Number of valid applications	Total number of Rights Shares allotted	Allotment basis
1 — 2,000	1,483	1,883,259	Fully allotted for topping up odd lots to whole board lots of Shares of 1,000 each plus 100% of the excess Rights Shares applied for
2,001 — 3,000	10	19,962	Fully allotted for topping up odd lots to whole board lots of Shares of 1,000 each plus 50% of the remaining excess Rights Shares applied for (rounded up to the nearest board lot)
3,001 — 10,000	20	65,418	Fully allotted for topping up odd lots to whole board lots of Shares of 1,000 each plus 33% of the remaining excess Rights Shares applied for (rounded up to the nearest board lot)
10,001 — 20,000	20	87,793	Fully allotted for topping up odd lots to whole board lots of Shares of 1,000 each plus 25% of the remaining excess Rights Shares applied for (rounded up to the nearest board lot)
20,001 — 150,000	29	379,668	Fully allotted for topping up odd lots to whole board lots of Shares of 1,000 each plus 20% of the remaining excess Rights Shares applied for (rounded up to the nearest board lot)
150,001 — 2,000,000	14	1,598,279	Fully allotted for topping up odd lots to whole board lots of Shares of 1,000 each plus 18.5% of the remaining excess Rights Shares applied for (rounded up to the nearest board lot)
More than 2,000,000	1 (Note)	2,916,879	Approximately 20%
	<u>1,577</u>	<u>6,951,258</u>	

Note: Application for excess Rights Shares by HKSCC Nominees Limited.

The Directors consider that the allocation of the excess Rights Shares is on a fair and equitable basis.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following is a summary of the shareholding structure of the Company immediately before and after completion of the Rights Issue:

	Immediately before the completion of the Rights Issue		Immediately after the completion of the Rights Issue	
	Shares	%	Shares	%
Intellinsight (<i>Note 1</i>)	448,238,083	58.43	689,649,124 (<i>Note 2</i>)	59.93
Mr. Or	185,000	0.02	277,500	0.02
Mr. Or Pui Kwan	7,000	0.00	10,500	0.00
	<u>448,430,083</u>	<u>58.45</u>	<u>689,937,124</u>	<u>59.95</u>
Directors (other than Mr. Or and Mr. Or Pui Kwan)	2,230,000	0.30	3,345,000	0.30
Other Shareholders	<u>316,460,767</u>	<u>41.25</u>	<u>457,399,151</u>	<u>39.75</u>
Total	<u><u>767,120,850</u></u>	<u><u>100.00</u></u>	<u><u>1,150,681,275</u></u>	<u><u>100.00</u></u>

Notes:

1. Intellinsight is ultimately wholly-owned by the Or Family Trust.
2. Including 17,292,000 Shares subscribed upon the exercise of the rights attaching to the 17,292,000 nil-paid Rights Shares which were acquired by Intellinsight on the Stock Exchange.

DESPATCH OF SHARE CERTIFICATES AND REFUND CHEQUES

Share certificates for the Rights Shares and refund cheques in respect of partially unsuccessful excess applications will be despatched by ordinary post to those Shareholders who have validly applied and paid for the Rights Shares at their own risk on 12 February 2007.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in fully-paid Rights Shares will commence upon receipt of the share certificates for the Rights Shares.

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

Hong Kong, 9 February 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.