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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)

**ANNOUNCEMENT IN RELATION TO
THE ACQUISITION
OF SHENZHEN PROPERTIES & RESOURCES
DEVELOPMENT (GROUP) LIMITED**

Reference is made to the announcement of the Company dated 24 April 2007 in relation to the receipt of a notice from the Sellers dated 19 April 2007 purporting to unilaterally terminate the Sale and Purchase Agreement. The Company and the Purchaser have on 25 April 2007 issued a notice to the Sellers stating that the Company and the Purchaser disagree with the purported termination. The Company will make further announcement on the development of this matter as and when appropriate in compliance with the requirements of the Listing Rules.

Shareholders of the Company and investors are reminded to exercise caution when dealing in the shares of the Company.

Reference is made to the announcement of Kowloon Development Company Limited (the “**Company**”) dated 24 April 2007 (the “**Announcement**”) in relation to the receipt of a notice from the Sellers dated 19 April 2007 (the “**Notice**”) purporting to unilaterally terminate the Sale and Purchase Agreement. Save as otherwise provided, terms used in this announcement shall have the same meanings as used in the Announcement or the circular of the Company dated 30 June 2005.

The Company and the Purchaser have on 25 April 2007 issued a notice (the “**Company’s Notice**”) to the Sellers stating that the Company and the Purchaser disagree with the purported termination. The Company and the Purchaser stated in the Company’s Notice that the Notice was issued without grounds and that there were no legal bases for the Sellers to unilaterally terminate the Sale and Purchase Agreement. The Company and the Purchaser further requested the Sellers to continue to discharge their obligations under the Sale and Purchase Agreement and reserve the right to claim for damages arising from the acts of the Sellers. The Sellers have not yet provided a response to the Company’s Notice and the Company will make further announcement on the development of this matter as and when appropriate in compliance with the requirements of the Listing Rules.

The Company does not foresee any difficulties in recovering the paid deposits from the Sellers and China Securities Depository and Clearing Corporation Limited – Shenzhen Branch should the Sale and Purchase Agreement is terminated.

Shareholders of the Company and investors are reminded to exercise caution when dealing in the shares of the Company.

By order of the Board
Kowloon Development Company Limited
Or Wai Sheun
Chairman

Hong Kong, 25 April 2007

As at the date of this announcement, the Board comprises 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.