



九龍建業有限公司
Kowloon Development Company Limited
(Stock Code:34)

2006
Interim Report



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- Group's 2006 interim net profit rises to HK\$318 million; excluding property revaluations net of deferred tax, underlying net profit increases 42% to HK\$258 million.
- Underlying earnings per share, which exclude property revaluation effects, for the first half of 2006 amount to HK\$0.43, an increase of 34% over the same period in 2005.
- Two major acquisitions made in Macau and Shenyang during the first half of the year substantially increased the Group's land bank by 3.88 million sq.m.

<i>(HK\$ million)</i>	For six months ended 30 June		
	2006	2005	Change
Turnover	1,312	484	+171%
Profit attributable to Company's shareholders	318	301	+6%
– Net profit excluding property revaluations	258	182	+42%
Earnings per share <i>(HK\$)</i> – Basic	0.53	0.53	–
– EPS excluding property revaluations <i>(HK\$)</i>	0.43	0.32	+34%
Interim dividend <i>(HK\$)</i>	0.13	0.10	+30%

Chairman's Statement

Interim Results and Dividend

The Group's turnover for the six months ended 30 June 2006 amounted to HK\$1,312 million, an increase of 171% over the same period last year. The Group's unaudited profit attributable to shareholders for the period amounted to HK\$318 million.

Excluding investment property revaluation gains net of deferred tax of HK\$60 million, underlying net profit rose to HK\$258 million, an increase of 42% over the same period last year. The substantial increase in turnover relative to the increase in net profit over the period under review was primarily due to the effect of mark-to-market provisions on our investment portfolio at end-June 2006.

The Group raised HK\$1.4 billion by issuing 113,353,000 new shares in May 2006. Taking account of this dilution, interim earnings per share excluding property revaluation were HK\$0.43, an increase of 34% over the corresponding period last year. These interim results have been reviewed by the Company's Audit Committee and auditors.

The Board of Directors has declared an interim dividend of HK\$0.13 per share which represents an increase of 30% as compared with HK\$0.10 in the first half of 2005. The interim dividend will be payable on 6 October 2006 to shareholders registered as at 27 September 2006.

Business Review

Two major acquisitions were made during the first half of the year which had the effect of substantially expanding the Group's land bank across the Greater China region.

Major Acquisitions

In April 2006, the Group, through its 56.84% owned listed subsidiary, Polytec Asset Holdings Limited ("Polytec Asset") entered into an agreement with the ultimate holding company to acquire an 80% interest in three property development projects in Macau ("Acquisition") with an aggregate gross floor area of approximately 978,000 sq. m. at a consideration of HK\$8,448 million. The Acquisition was completed in June 2006.

The three sites are located in the Orient Pearl District of the Macau Peninsula near the Macau-Zhuhai border and the intended landing point of the Hong Kong – Zhuhai – Macau Bridge, a 29 kilometers bridge linking Hong Kong, Zhuhai and Macau. The Group intends to develop these sites into luxury residential buildings of approximately 8,000 units, with retail, recreational and car parking spaces. The developments will be phased with the first phase ready to commence construction works before the end of this year.

In June 2006, through a public bidding process, the Group acquired the development right of a plot of land with a site area of 1.45 million sq. m. in the west of Daba Road in Dong Ning District of Shenyang, the People's Republic of China ("PRC") for a consideration of RMB830 million. The project has a planned aggregate gross floor area of 2.9 million sq. m. and it has been approved by the Shenyang municipal government for residential and commercial development purposes.

An Update – Acquisition of Shenzhen Properties & Resources Development (Group) Limited (“Shenzhen Properties”)

Waiver from the obligation to make a general offer for the remaining 29.7% issued shares in Shenzhen Properties was not granted by the China Securities Regulatory Commission (“CSRC”). Accordingly in May 2006, the Group initiated the general offer process and paid HK\$120 million as deposit. Subsequently in the same month, the Group was advised by the CSRC that the examination of the general offer documents for the remaining issued shares in Shenzhen Properties would be temporarily suspended pending verification of certain issues by the State Council State-owned Assets Supervision and Administration Commission (“SASAC”). The verification process is currently under way.

Property Sales

The Group’s property sales rose to HK\$598 million in the first six month of 2006, an increase of 175% over the same period in 2005. The increase in sales was primarily due to the sale of Mount Davis 33, a joint-venture residential development project with Urban Renewal Authority in the western part of Hong Kong Island.

Property Development

La Baie Du Noble, Macau, in which the Group has an 80% interest, is close to completion. The occupation permit for the residential portion (excluding duplex units) of the project was obtained in July 2006. Income from this project will be the major contribution to the Group’s operating profit in the second half of the year.

Construction work on the development at 31 Robinson Road, Mid-Levels, Hong Kong, a luxury residential development with a gross floor area of approximately 11,900 sq. m. is scheduled to be completed in 2007.

The Group obtained an approval from the Town Planning Board for development parameters of the newly revised master layout plan in February 2006 for the residential and commercial development project at 35 Clear Water Bay Road, Ngau Chi Wan. We are currently liaising with relevant departments in connection with the land exchange.

We intend to commence construction works for the Group’s redevelopment project at Belcher’s Street in the second half of 2007.

Status of the Group's Major Projects Under Development

Location	Usage	Group's Interest (%)	Approx. Total Gross Floor Area (sq. m.)	Status	Expected Date of Completion
MACAU					
La Baie Du Noble The Orient Pearl District Macau	Residential and Commercial	80	147,700	Internal finishing	Second half 2006
Pacifica Garden* The Taipa District Macau	Residential and Commercial	33	35,900	Foundation works in progress	2008
HONG KONG					
Mount Davis 33 No. 33 Ka Wai Man Road Kennedy Town Hong Kong	Residential	Joint Venture with Urban Renewal Authority	7,300	Construction completed	Completed (First half 2006)
No. 31 Robinson Road Mid-Levels Hong Kong	Residential	100	11,900	Superstructure works in progress	Second half 2007
No. 35 Clear Water Bay Road Ngau Chi Wan Kowloon Hong Kong	Residential and Commercial	100	196,400	Foundation and site formation works in progress	2009/2010
TOTAL			399,200		

* Owned by the Group's 56.84% owned subsidiary Polytec Asset Holdings Limited at end-June 2006.

Details of the Group's Major Land Held for Development

Location	Usage	Group's Interest (%)	Approx. Total Gross Floor Area (sq. m.)
PRC			
West of Daba Road Dong Ning District Shenyang PRC	Residential and Commercial	100	2,900,000
MACAU			
Lote V* Novos Aterros da Areia Preta Macau	Residential and Commercial	45	126,400
Lotes T and T1* Novos Aterros da Areia Preta Macau	Residential and Commercial	45	164,200
Lote P* Novos Aterros da Areia Preta Macau	Residential and Commercial	45	687,700
HONG KONG			
Belcher's Street Kennedy Town Hong Kong	Residential and Commercial	100	5,600
TOTAL			3,883,900

* Owned by the Group's 56.84% owned subsidiary Polytec Asset Holdings Limited at end-June 2006.

Property Investment

For the first six months of 2006, the Group's gross rental income generated by its property investment portfolio amounted to HK\$108 million, an increase of 9% over the same period in 2005. The improvement was largely due to an increase in rental income from the office and retail tenancies of Pioneer Centre.

The average occupancy rate for the retail portion of Pioneer Centre improved significantly to over 95% in the first half of the year from 88% at the same period last year following the completion of the first phase of renovation. The offices were almost fully let at end-June 2006. The occupancy rate for the Group's other investment properties in Hong Kong also remained above 90%.



Property Management

The total area of residential and commercial premises managed by the Group and its associated companies remained at 790,000 sq. m. at end-June 2006. The property management division of the Group continues to provide quality management services to our properties.

Financing and Investments

The performance of our investment division was affected by the new accounting treatment of our investment portfolio as at 30 June 2006. While the negative mark-to-market effect has currently been almost fully reversed with the subsequent improvement in the financial market over the past two months, for the period under review operating profits of this division recorded a decline from HK\$37 million posted at end-June 2005 to HK\$28 million at end-June 2006.

Other Business

In March 2006, the Group disposed of its 20% interest in Southern Success Corporation, an associated company engaged in footwear wholesale and retail business at a consideration of US\$11.6 million, realising a gain of HK\$47 million.

Outlook

The Group remains optimistic about the Asia economic growth in the medium term. Hong Kong is well positioned with solid economic fundamentals and benefits from the continuous growth of the PRC economy. The macro-austerity measures implemented by the PRC central government should make the PRC property market more stable, thus providing a solid foundation for healthy and sustained growth in long term. As for the Macau property market, economic activities remain strong, which creates a need for a large work-force which in turn will generate further demand for residential accommodation.

In accordance with the Group's three-tier development strategy, and following a series of acquisitions in Macau and PRC in the first half of 2006, the Group is now well positioned in its three major markets, namely, Hong Kong, Macau and the PRC. Management is confident to secure additional value enhancing property projects in short term as we have done in the past in order to ensure strong earnings growth for the Group from the year 2008 onwards.

Finally, I would like to take this opportunity to express my gratitude to my fellow directors for their guidance; and to all our staff for their diligence, dedication and hard work.

Or Wai Sheun

Chairman

Hong Kong, 6 September 2006

Financial Resources and Bank Borrowings

The total bank borrowings of the Group as at 30 June 2006 amounted to HK\$2,653 million, a slight increase of HK\$10 million as compared with 2005 year end. The gearing ratio, calculated on the basis of bank loans to equity attributable to shareholders of the Company was reduced from 52% as at 31 December 2005 to 40% as at 30 June 2006 following the equity fund raising in May.

As previously reported, Polytec Asset acquired interests in property developments in Macau from the ultimate holding company for HK\$8,448 million of which HK\$5,490 million was settled and HK\$2,958 million is financed by a deferred settlement arrangement. Funds were raised by the issue of 2,811,411,970 new shares in Polytec Asset at HK\$1.98 per share. The Company also raised HK\$1.4 billion by the issue of 113,353,000 new shares at HK\$12.4 per share of which HK\$970 million was used to subscribe for the new shares in Polytec Asset. Loan from ultimate holding company amounted to HK\$2,194 million had been obtained for the balance required for the subscription of Polytec Asset's new shares. Including the deferred payment of the balance consideration for the Acquisition, total outstanding due to ultimate holding company as at 30 June 2006 amounted to HK\$5,708 million. The amounts due to ultimate holding company are unsecured, interest bearing and have no fixed term of repayment. Interest is charged with reference to bank lending rates. Taking account of the financial support provided by the ultimate holding company, the gearing was 127%.

During the first half year of 2006, the Group paid HK\$120 million as deposit for the general offer for the remaining 29.7% shares in relation to the proposed acquisition of Shenzhen Properties. Approximately HK\$390 million was paid for the acquisition of development right of land in Shenyang, PRC. US\$11.6 million (approximately HK\$90 million) was obtained from the disposal of Southern Success Corporation, an associated company of the Group. The sale of Mount Davis 33 was well received and generated cash inflow of HK\$211 million.

All banking facilities are arranged on a floating rate basis with HK\$700 million bank loans being hedged by structured swaps. Management will continue to monitor and manage the Group's exposure to interest rate risks.

The Group's exposure to currency risk in relation to the investments in PRC will not have a material impact and the management will closely monitor the currency risk exposure in respect of renminbi and will consider hedging where appropriate. The Group's exposure to other currency risk is insignificant as most of the Group's operations are in Hong Kong or Macau and transactions are denominated in local currency.

With committed undrawn financing facilities in place, recurrent cash inflow from investment properties, property sales and the continuous support from the ultimate holding company, the Group has sufficient financial resources to satisfy its commitments, working capital requirements and for its future business growth.



Capital Commitments

As at 30 June 2006, the Group had contracted commitments of HK\$665 million in respect of the acquisition of Shenzhen Properties. Commitments for construction work of the investment properties amounted to HK\$97 million.

Contingent Liabilities and Pledge of Assets

As at 30 June 2006, properties and other assets amounting to HK\$4,732 million and time deposits of HK\$345 million were pledged to financial institutions to secure credit facilities. The Group had no contingent liabilities as at 30 June 2006.

Consolidated Income Statement

(Expressed in Hong Kong dollars)



	Note	Six months ended 30 June	
		2006 (unaudited) \$'000	2005 (unaudited) \$'000
Turnover	2	1,312,418	483,940
Other revenue		7,151	1,284
Depreciation and amortization		(4,738)	(503)
Staff costs		(28,780)	(19,439)
Cost of inventories		(905,171)	(232,066)
Fair value changes on investment properties	8	72,210	143,436
Other operating expenses		(97,136)	(18,111)
Profit from operations	2	355,954	358,541
Finance costs	3(a)	(34,203)	(2,480)
Profit on disposal of an associated company		47,090	–
Share of profits of associated companies	3(c)	588	4,682
Share of profits of jointly controlled entities	3(d)	3,273	–
Profit before taxation	3	372,702	360,743
Income tax	4	(43,470)	(60,195)
Profit for the period		329,232	300,548
Attributable to:			
Shareholders of the Company	14(a)	317,835	300,510
Minority interests	14(a)	11,397	38
Profit for the period	14(a)	329,232	300,548
Earnings per share – Basic	6	\$0.53	\$0.53
Dividend per share	5(a)	\$0.13	\$0.10

The notes on pages 15 to 28 form part of the interim financial report.

Consolidated Balance Sheet

(Expressed in Hong Kong dollars)

	Note	At 30 June 2006		At 31 December 2005	
		(unaudited) \$'000	(unaudited) \$'000	(audited) \$'000	(audited) \$'000
Non-current assets					
Fixed assets					
– Investment properties			4,220,630		4,147,630
– Leasehold land held for own use			262,288		265,553
– Other property, plant and equipment			38,310		39,503
	8		4,521,228		4,452,686
Goodwill			16,994		16,994
Interests in property development	9		8,448,000		–
Interest in jointly controlled entities			397,780		394,507
Interest in associated companies			12,091		56,568
Investments in securities			55,838		65,220
Loans and advances			46,025		55,320
Deferred tax assets			5,714		9,303
			13,503,670		5,050,598
Current assets					
Interest in					
property development	9	590,280		575,298	
Inventories	10	3,922,869		3,194,826	
Trade and other receivables	11	924,919		320,440	
Loans and advances		56,124		63,523	
Amounts due from jointly controlled entities		252,864		247,192	
Amount due from an associated company		191		207	
Derivative financial instruments		14,118		25,811	
Investments in securities		201,093		242,445	
Time deposit (pledged)		345,425		38,205	
Cash and cash equivalents		322,635		104,706	
		6,630,518		4,812,653	

	Note	At 30 June 2006		At 31 December 2005	
		(unaudited) \$'000	(unaudited) \$'000	(audited) \$'000	(audited) \$'000
Current liabilities					
Trade and other payables	12	1,087,867		338,804	
Amount due to ultimate holding company		5,435		–	
Amount due to a major shareholder		–		140,791	
Amounts due to minority shareholders		33,484		31,924	
Derivative financial instruments		61,073		7,741	
Bank loans		887,439		978,413	
Current taxation		66,348		44,814	
		<u>2,141,646</u>		<u>1,542,487</u>	
Net current assets			<u>4,488,872</u>		<u>3,270,166</u>
Total assets less current liabilities			<u>17,992,542</u>		<u>8,320,764</u>
Non-current liabilities					
Loan from ultimate holding company	13	2,742,040		2,635	
Amount payable to ultimate holding company	7	2,965,677		–	
Bank loans		1,765,200		1,663,600	
Deferred tax liabilities		674,494		667,940	
			<u>8,147,411</u>		<u>2,334,175</u>
Net assets			<u>9,845,131</u>		<u>5,986,589</u>
Capital and reserves					
Share capital	14(b)		68,012		56,677
Reserves			<u>6,540,752</u>		<u>5,040,735</u>
Total equity attributable to shareholders of the Company	14(a)		<u>6,608,764</u>		<u>5,097,412</u>
Minority interests	14(a)		<u>3,236,367</u>		<u>889,177</u>
Total equity	14(a)		<u>9,845,131</u>		<u>5,986,589</u>

Approved and authorized for issue by the board of directors on 6 September 2006.

The notes on pages 15 to 28 form part of the interim financial report.

Consolidated Statement of Changes in Equity

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June 2006		Six months ended 30 June 2005	
		(unaudited) \$'000	(unaudited) \$'000	(unaudited) \$'000	(unaudited) \$'000
Total equity at 1 January			5,986,589		4,070,119
Net income for the period recognized directly in equity					
Changes in fair value of equity securities available-for-sale	14(a)	1,218		(5,726)	
Changes in fair value of interests in property development	14(a)	14,982		175,641	
Transfer to income statement upon disposal of equity securities available-for-sale	14(a)	(1,871)		–	
Net income for the period recognized directly in equity		14,329		169,915	
Net profit for the period	14(a)	329,232		300,548	
Total net income recognized for the period			343,561		470,463
Attributable to :					
Shareholders of the Company		332,164		470,425	
Minority interests		11,397		38	
		343,561		470,463	



		Six months ended 30 June 2006		Six months ended 30 June 2005	
	Note	(unaudited) \$'000	(unaudited) \$'000	(unaudited) \$'000	(unaudited) \$'000
Final dividend declared and paid	5(b)		(198,369)		(141,692)
Dividend paid to minority interests	14(a)		(23,833)		–
Loan from a minority shareholder	14(a)		1,114		–
Share issue of a subsidiary attributable to minority interests	14(a)		2,358,512		–
Issue of shares	14(a)		11,335		–
Net share premium received	14(a)		<u>1,366,222</u>		<u>–</u>
Total equity at 30 June			<u>9,845,131</u>		<u>4,398,890</u>

The notes on pages 15 to 28 form part of the interim financial report.

Condensed Consolidated Cash Flow Statement

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2006 (unaudited) \$'000	2005 (unaudited) \$'000
Net cash used in operating activities	(500,295)	(203,309)
Net cash used in investing activities	(3,212,431)	(23,852)
Net cash from financing activities	3,930,655	209,736
Net increase/(decrease) in cash and cash equivalents	217,929	(17,425)
Cash and cash equivalents at 1 January	104,706	44,497
Cash and cash equivalents at 30 June	322,635	27,072

The notes on pages 15 to 28 form part of the interim financial report.

Notes on the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

1 Basis of preparation

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700, "Engagements to review interim financial reports", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). KPMG's independent review report to the Board of Directors is included on page 29. In addition, this interim financial report has been reviewed by the Company's Audit Committee.

The interim financial report has been prepared on a basis consistent with the accounting policies adopted in the 2005 annual financial statements except for the adoption of certain new standards, amendments and interpretations issued by the HKICPA, which are effective for accounting periods beginning on or after 1 January 2006. The adoption of the new standards, amendments and interpretations had no material effect on the Group's results of operation and financial position.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard 34, "Interim financial reporting", issued by the HKICPA.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2005 annual financial statements.

The financial information relating to the financial year ended 31 December 2005 included in the condensed interim financial statements does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. The auditors have expressed an unqualified opinion on those financial statements in their report dated 30 March 2006.

2 Segment information

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Turnover comprises income from property and securities investments, net proceeds from sale of properties, ice making and cold storage and interest income.

2 Segment information *(Continued)*

(a) Business segments

	Six months ended 30 June 2006				
	Consolidated \$'000	Property development \$'000	Property investment \$'000	Financing and investments \$'000	Others \$'000
Turnover	1,312,418	597,841	107,931	579,270	27,376
Contribution from operations	304,371	172,324	97,088	27,558	7,401
Fair value changes on investment properties	72,210	–	72,210	–	–
Unallocated group expenses	(20,627)				
Profit from operations	355,954				
Finance costs	(34,203)				
Profit on disposal of an associated company	47,090				
Share of profits of associated companies	588	–	–	–	588
Share of profits of jointly controlled entities	3,273	–	3,273	–	–
Profit before taxation	372,702				
Income tax	(43,470)				
Profit for the period	329,232				

2 Segment information *(Continued)*

(a) Business segments *(Continued)*

	Six months ended 30 June 2005				
	Consolidated \$'000	Property development \$'000	Property investment \$'000	Financing and investments \$'000	Others \$'000
Turnover	483,940	217,308	99,142	157,612	9,878
Contribution from operations	228,428	104,741	86,628	37,411	(352)
Fair value changes on investment properties	143,436	–	143,436	–	–
Unallocated group expenses	(13,323)				
Profit from operations	358,541				
Finance costs	(2,480)				
Share of profits of associated companies	4,682	–	–	–	4,682
Profit before taxation	360,743				
Income tax	(60,195)				
Profit for the period	300,548				

2 Segment information *(Continued)*

(b) Geographical segments

	Group turnover		Group profit from operations	
	Six months ended 30 June		Six months ended 30 June	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
Hong Kong	1,154,139	476,626	310,058	352,563
People's Republic of China	132,000	–	29,835	–
Macau	12,409	–	822	–
North America	11,252	4,452	12,682	4,362
Others	2,618	2,862	2,557	1,616
	<u>1,312,418</u>	<u>483,940</u>	<u>355,954</u>	<u>358,541</u>

3 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2006	2005
	\$'000	\$'000
Interest on bank loans and overdrafts	61,886	19,778
Interest on loan from ultimate holding company	12,717	61
Less: Amount capitalized	<u>(39,529)</u>	<u>(16,659)</u>
	35,074	3,180
Less: Interest expense included as other operating expenses	<u>(871)</u>	<u>(700)</u>
	<u>34,203</u>	<u>2,480</u>

Borrowing costs were capitalized at the prevailing market interest rates.

3 Profit before taxation (Continued)

(b) **Other items**

	Six months ended 30 June	
	2006	2005
	\$'000	\$'000
Rentals receivable under operating leases less outgoings	(95,573)	(85,768)
Rental income	(107,931)	(99,142)
Less: Outgoings	12,358	13,374
Income from listed investments	(2,221)	(3,383)
Income from unlisted investments	(25,267)	(10,182)

(c) The Group's share of profits of the associated companies for the period, after minority interests and taxation, attributable to shareholders of the Company was \$587,620 (six months ended 30 June 2005: \$4,682,342).

(d) The Group's share of profits of the jointly controlled entities for the period, after minority interests and taxation, attributable to shareholders of the Company was \$1,860,540 (six months ended 30 June 2005: \$Nil).

4 Income tax in the consolidated income statement

Taxation in the consolidated income statement represents:

	Six months ended 30 June	
	2006	2005
	\$'000	\$'000
Current tax		
Provision for profits tax		
– Hong Kong	35,156	34,250
– Overseas	1,505	–
(Over)/Under provision in respect of prior years	(3,333)	810
	33,328	35,060
Deferred tax	10,142	25,135
	43,470	60,195

Hong Kong profits tax is calculated at 17.5% (six months ended 30 June 2005: 17.5%) on the estimated assessable profits of the period. Overseas tax is calculated at the applicable tax rates ruling in the respective jurisdictions.

5 Dividends

(a) **Dividends attributable to the interim period**

	Six months ended 30 June	
	2006	2005
	\$'000	\$'000
Interim dividend declared after the interim period of \$0.13 (2005: \$0.10) per share	<u>88,416</u>	<u>56,677</u>

The interim dividend declared after the interim period end has not been recognized as a liability at the interim period end date.

(b) **Dividends attributable to the previous financial year, approved and paid during the interim period**

	Six months ended 30 June	
	2006	2005
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period, of \$0.35 (2005: \$0.25) per share	<u>198,369</u>	<u>141,692</u>

6 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of \$317,834,816 (six months ended 30 June 2005: \$300,509,526) and weighted average number of ordinary shares of 595,575,795 (2005: number of 566,767,850 ordinary shares) in issue during the period.

No diluted earnings per share for the six months ended 30 June 2005 and 2006 has been presented as the Company had no dilutive potential ordinary shares for both periods.

7 Acquisition of a subsidiary

During the period, the Group acquired from its ultimate holding company, Polytec Holdings International Limited (“Polytec Holdings”), the entire issued share capital of one of Polytec Holdings’ wholly owned subsidiary. The acquired company had entered into co-investment agreements with other wholly owned subsidiaries of Polytec Holdings in property projects in Macau. The consideration of the acquisition was \$8,448,000,000. As at 30 June 2006, balance of the consideration of \$2,958,450,000 has been deferred as elected in accordance with the sale and purchase agreement. The balance is unsecured and interest bearing with interest charged with reference to bank lending rates. The deferred payment and the accrued interest thereon are not expected to be settled within one year.

	\$'000
Fair value of assets of the subsidiary acquired:	
Interests in property development	<u>8,448,000</u>
Satisfied by:	
Loan from ultimate holding company	2,194,040
Amount payable to ultimate holding company	2,958,450
Cash paid	<u>3,295,510</u>
	<u>8,448,000</u>

8 Fixed assets

The investment properties of the Group were revalued at 30 June 2006 by Vigers Appraisal and Consulting Limited and DTZ Debenham Tie Leung Ltd, independent qualified professional valuers, who have appropriate qualifications and experiences in the valuation of similar properties in the relevant locations, on an open market value basis calculated by reference to net rental income allowing for reversionary income potential. A revaluation gain of \$72,209,983 (six months ended 30 June 2005: \$143,435,752) and deferred tax thereon of \$12,636,747 (six months ended 30 June 2005: \$25,101,257) have been included in the consolidated income statement.

9 Interests in property development

Interests in property development represent the Group's interests in the development of various properties at Macau under the co-investment agreements with wholly owned subsidiaries of Polytec Holdings.

10 Inventories

	At 30 June 2006 \$'000	At 31 December 2005 \$'000
Land held for future development	994,045	611,519
Properties under development	2,546,119	2,242,381
Properties held for sale	381,986	339,776
Trading goods	719	1,150
	3,922,869	3,194,826

Included in properties under development is an amount of \$1,484,722,215 (at 31 December 2005: \$1,459,138,520), which represents the Group's interest in the development of a property in Ngau Chi Wan. The Group has been granted the exclusive right for the development by The Little Sisters of the Poor ("The Little Sisters"). Pursuant to the development agreement with The Little Sisters, the Group is responsible for bearing all costs and expenses of carrying out the development and in return, the Group is entitled to all sales proceeds derived from the completed development. As at 30 June 2006, the Group had an outstanding payable to The Little Sisters under the development agreement of approximately \$121 million (at 31 December 2005: \$129 million).

11 Trade and other receivables

The following is an ageing analysis of trade receivables:

	At 30 June 2006 \$'000	At 31 December 2005 \$'000
Current and 0 – 90 days	511,166	54,498
91 – 180 days	1,533	1,614
Over 180 days	9,376	9,466
Trade receivables	522,075	65,578
Utility and other deposits	4,397	3,656
Other receivables and prepayments	398,447	251,206
	924,919	320,440

Trade and other receivables of the Group of \$5,665,930 (at 31 December 2005: \$5,264,761) are expected to be recovered after more than one year.

Prepayments of the Group of an amount of \$345,743,000 (at 31 December 2005: \$225,743,000) represent the deposit paid for the acquisition of approximately 70.3% of the issued shares and the general offer for the acquisition of the remaining shares of Shenzhen Properties & Resources Development (Group) Limited.

The Group maintains a defined credit policy. An ageing analysis of trade receivables is prepared on a regular basis and is closely monitored to minimize any credit risk associated with receivables.

12 Trade and other payables

The following is an ageing analysis of trade payables:

	At 30 June 2006 \$'000	At 31 December 2005 \$'000
Not yet due or on demand	640,077	46,612
0 – 90 days	2,397	20,047
91 – 180 days	7	137
Over 180 days	40	52
Trade payables	642,521	66,848
Rental and other deposits	51,279	51,070
Deposits received on sale of properties	156,496	22,715
Other payables and accrued expenses	237,571	198,171
	1,087,867	338,804

Trade and other payables of the Group of \$58,953,930 (at 31 December 2005: \$83,115,340) are expected to be refunded/settled after more than one year.

At 30 June 2006, trade payables of the Group of an amount of \$415,832,000 represent outstanding consideration for the acquisition of a piece of land in Shenyang of People's Republic of China, the payment of which is not yet due and is payable within one year.

13 Loan from ultimate holding company

Loan from ultimate holding company is unsecured, interest bearing and has no fixed terms of repayment. Interest is charged with reference to bank lending rates.

14 Total equity

(a) Total equity

	Attributable to shareholders of the Company						Minority interests	Total equity	
	Share capital	Share premium	Capital reserve	Fair value reserves	Retained profits	Total			
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2005	56,677	557,916	2,154	169,324	3,282,840	4,068,911	1,208	4,070,119	
Changes in fair value of equity securities available-for-sale	-	-	-	(1,310)	-	(1,310)	-	(1,310)	
Changes in fair value of interest in property development	-	-	-	462,456	-	462,456	-	462,456	
Transfer to income statement upon disposal of equity securities available-for-sale	-	-	-	(11,156)	-	(11,156)	-	(11,156)	
Transfer to income statement upon receipt of cash distribution from interest in property development	-	-	-	(282,273)	-	(282,273)	-	(282,273)	
Loan from a minority shareholder	-	-	-	-	-	-	26,625	26,625	
Minority interests of subsidiaries acquired during the year	-	-	-	-	-	-	857,093	857,093	
Final dividend declared and paid	5(b)	-	-	-	(141,692)	(141,692)	-	(141,692)	
Interim dividend declared and paid	5(a)	-	-	-	(56,677)	(56,677)	-	(56,677)	
Profit for the year		-	-	-	1,059,153	1,059,153	4,251	1,063,404	
At 31 December 2005		56,677	557,916	2,154	337,041	4,143,624	5,097,412	889,177	5,986,589

14 Total equity (Continued)

(a) Total equity (Continued)

	Note	Attributable to shareholders of the Company					Total	Minority interests	Total equity
		Share capital	Share premium	Capital reserve	Fair value reserves	Retained profits			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2006		56,677	557,916	2,154	337,041	4,143,624	5,097,412	889,177	5,986,589
Issue of shares		11,335	-	-	-	-	11,335	-	11,335
Premium on issue of shares		-	1,394,242	-	-	-	1,394,242	-	1,394,242
Expenses on issue of shares		-	(28,020)	-	-	-	(28,020)	-	(28,020)
Share issue of a subsidiary attributable to minority interests		-	-	-	-	-	-	2,358,512	2,358,512
Changes in fair value of equity securities available-for-sale		-	-	-	1,218	-	1,218	-	1,218
Changes in fair value of interests in property development		-	-	-	14,982	-	14,982	-	14,982
Transfer to income statement upon disposal of equity securities available-for-sale		-	-	-	(1,871)	-	(1,871)	-	(1,871)
Loan from a minority shareholder		-	-	-	-	-	-	1,114	1,114
Dividend paid to minority interests		-	-	-	-	-	-	(23,833)	(23,833)
Final dividend declared and paid	5(b)	-	-	-	-	(198,369)	(198,369)	-	(198,369)
Profit for the period		-	-	-	-	317,835	317,835	11,397	329,232
At 30 June 2006		68,012	1,924,138	2,154	351,370	4,263,090	6,608,764	3,236,367	9,845,131

Loan from a minority shareholder is classified as equity being the capital contribution on a subsidiary by the minority shareholder.

14 Total equity *(Continued)*

(b) Share capital

	At 30 June 2006		At 31 December 2005	
	No. of shares of \$0.1 each	Amount \$'000	No. of shares of \$0.1 each	Amount \$'000
Authorized	<u>1,000,000,000</u>	<u>100,000</u>	<u>1,000,000,000</u>	<u>100,000</u>
Issued and fully paid				
At 1 January	566,767,850	56,677	566,767,850	56,677
Issue of shares	<u>113,353,000</u>	<u>11,335</u>	–	–
At 30 June (2005: At 31 December)	<u>680,120,850</u>	<u>68,012</u>	<u>566,767,850</u>	<u>56,677</u>

On 16 May 2006, the Company issued and allotted 113,353,000 new shares to its major shareholder at a price of \$12.40 per share after the placement of 113,353,000 old shares by the major shareholder at a price of \$12.40 per share to independent third parties.

15 Capital commitments

Capital commitments outstanding at the balance sheet date not provided for in the accounts were as follows:

	At 30 June 2006 \$'000	At 31 December 2005 \$'000
Contracted for		
– Investment properties	1,474	1,410
– Acquisition of subsidiaries	<u>664,783</u>	<u>222,333</u>
	<u>666,257</u>	<u>223,743</u>
Authorized but not contracted for		
– Investment properties	<u>95,255</u>	<u>95,745</u>

16 Pledge of assets

At 30 June 2006, properties and securities of the Group with an aggregate carrying value of approximately \$4,731,612,000 (at 31 December 2005: \$4,983,376,000) and time deposits of \$345,425,000 (at 31 December 2005: \$38,205,000) were pledged to financial institutions to secure banking facilities granted to the Group or as margin deposits for the Group's investments in securities.

17 Material related party transactions

- (a) Polytec Holdings has guaranteed the due performance of a subsidiary of the Group in respect of its obligations under the development agreement as stated in note 10.
- (b) Details of the acquisition of a subsidiary from Polytec Holdings during the period was set out in note 7.
- (c) Loan amounting to \$2,194,040,000 has been obtained from Polytec Holdings during the period for the subscription payments of new shares issued by Polytec Asset Holdings Ltd ("Polytec Asset"), a listed subsidiary of the Company. The proceeds of the subscription payments were utilized by Polytec Asset to settle partially the consideration for the acquisition of the subsidiary as stated in note 7.
- (d) During the six months ended 30 June 2006, interest of \$12,716,696 was paid to Polytec Holdings.
- (e) During the six months ended 30 June 2006, arranger's fees of \$24,039,853 was paid to a related company for the placement and subscription of shares of the Company and Polytec Asset.
- (f) On 16 May 2006, the Company issued and allotted 113,353,000 new shares to its major shareholder at a price of \$12.40 per share after the placement of 113,353,000 old shares by the major shareholder at a price of \$12.40 per share to independent third parties.
- (g) At 30 June 2006, a director has granted a guarantee to a bank to secure the liabilities of the Group to the extent of \$22,000,000.
- (h) At 30 June 2006, the Group has given guarantees to insurance companies in respect of performance bonds entered into by certain associated companies to the extent of \$8,020,000.

Independent Review Report of the Auditors

Independent review report to the Board of Directors of Kowloon Development Company Limited



Introduction

We have been instructed by the Company to review the interim financial report set out on pages 9 to 28.

Respective responsibilities of directors and auditors

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting* issued by the Hong Kong Institute of Certified Public Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700, *Engagements to review interim financial reports* issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2006.

KPMG

Certified Public Accountants

Hong Kong, 6 September 2006

Other Information

Share Option Scheme

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to Eligible Persons who contribute to the success of the Group's operations. Eligible Persons include any employee, director, supplier, customer, business partner or business associate, trading agent, consultant or adviser, holder of any securities issued by any member of the Group or any entity in which the Group holds an equity interest ("Invested Entity") of any member of the Group or any Invested Entity who, in the discretion of the Board of Directors, has contributed or will contribute to the growth and development of the Group or any Invested Entity.

The Share Option Scheme was adopted by the Company on 21 May 2003 and complies with the requirements of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). Unless otherwise terminated or amended, the Share Option Scheme will remain in force for a period of 10 years.

The total number of shares which may be issued pursuant to the Share Option Scheme is 48,376,785 shares, being 10% of the total number of shares of the Company in issue as at the date of approval of the Share Option Scheme. No option has been granted under the Share Option Scheme to any person since its adoption and the total number of shares available for issue remains at 48,376,785 representing 7.1% of the issued share capital of the Company at the date of this report.

Corporate Governance

Compliance with the Code on Corporate Governance Practices

The Company has complied with the code provisions set out in Appendix 14 Code on Corporate Governance Practices of the Listing Rules throughout the accounting period for the six months ended 30 June 2006, save for the few exceptions specified and explained below:

Code Provision A.2.1

This Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The position of the Chairman of the Board is currently held by Mr Or Wai Sheun, and the Company does not have any chief executive officer. Given the current corporate structure, there is no separation between the roles of chairman and chief executive officer. The Board considers that this structure is beneficial to the Company as it enables the Company to make prompt and efficient decisions. Moreover, all major decisions are made in consultation with members of the Board and appropriate board committees comprising of experienced and high calibre individuals. Hence, the operations of the Board and board committees ensure the balance of power and authority. The corporate governance principles of the Company emphasize the importance of a quality Board and accountability to all shareholders.

Code Provision A.4.1 and A.4.2

Code A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Code A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the previous Article 105(A) of the Company's Articles of Association, at every annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, who have been longest in office since their last election shall retire from office, provided that no Director holding office as executive chairman or as a managing director shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire. The retiring Directors shall be eligible for re-election.

At the Annual General Meeting of the Company held on 8 May 2006, a special resolution was passed to replace the previous Article 105(A) in the Company's Articles of Association with a new Article 105(A) to provide that all Directors shall be elected for a term of not more than approximately three years since his last election or re-election expiring at the conclusion of the third annual general meeting of the Company after his election or re-election and shall be eligible for re-election.

Non-executive Directors of the Company do not have a specific term of appointment. However, as Non-executive Directors will be subject to re-election under the new Article 105(A), in the opinion of the Directors, the principle of Code A.4 that all directors should be subject to re-election at regular intervals has been up held.

The Company's Articles of Association provide that a Director appointed to fill a casual vacancy shall hold office until the first annual general meeting after his appointment, and shall be subject to re-election by the shareholders. This procedure complies with the requirement of Appendix 3 of the Listing Rules.

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the period under review and they have all confirmed that they had fully complied with the required standard set out in the Model Code.

Purchase, Sale or Redemption of Shares

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares during the six months ended 30 June 2006.

Directors' Interests and Short Positions

As at 30 June 2006, the following Directors of the Company were interested, or deemed to be interested in, the following long and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Part XV (s.352) of the SFO:

1. Long Positions in Shares, Underlying Shares and Debentures of the Company

Name of Director	Number of shares	Percentage of total issued shares	Note
Or Wai Sheun	370,023,083	54.41%	1
Ng Chi Man	369,838,083	54.38%	2
Or Pui Kwan	369,845,083	54.38%	3
Tam Hee Chung	500,000	0.07%	4
Lai Ka Fai	282,000	0.04%	5
Lok Kung Chin, Hardy	200,000	0.03%	6
Keith Alan Holman	161,000	0.02%	5
Yeung Kwok Kwong	100,000	0.01%	5

Notes:

1. Mr Or Wai Sheun was deemed to be interested in 369,838,083 shares ultimately and wholly-owned by a discretionary family trust of which Mr Or is the founder and a beneficiary. These shares were the shares disclosed under Ms Ng Chi Man and Mr Or Pui Kwan in the above table and in the Note of the section on "Interests of Substantial Shareholders and Other Persons".

Mr Or Wai Sheun was also deemed to be interested in 185,000 shares owned by China Dragon Limited due to his corporate interest therein.

2. Ms Ng Chi Man is the spouse of Mr Or Wai Sheun. Ms Ng was deemed to be interested in 369,838,083 shares as a beneficiary of the discretionary family trust referred to in Note 1 above.
3. Mr Or Pui Kwan is the son of Mr Or Wai Sheun and Ms Ng Chi Man. Mr Or Pui Kwan was the beneficial owner of 7,000 shares and was also deemed to be interested in 369,838,083 shares as a beneficiary of the discretionary family trust referred to in Note 1 above.
4. Mr Tam Hee Chung was deemed to be interested in 500,000 shares owned by Larry H.C. Tam & Associates Limited by virtue of his 48% interest therein.
5. Shares were held by the respective Directors in their capacity as beneficial owners.
6. Mr Lok Kung Chin, Hardy was taken to be interested in 200,000 shares owned by a discretionary trust of which Mr Lok is the founder.

2. Long Positions in Shares, Underlying Shares and Debentures of Associated Corporations

Polytec Asset Holdings Limited

Name of Director	No. of shares	No. of underlying shares	Total	% of total issued shares	Note
Or Wai Sheun	2,296,975,374	345,089,438	2,642,064,812	65.38%	1
Ng Chi Man	2,296,975,374	345,089,438	2,642,064,812	65.38%	1
Or Pui Kwan	2,296,975,374	345,089,438	2,642,064,812	65.38%	1
Yeung Kwok Kwong	1,600,000	160,000	1,760,000	0.04%	3, 4
Tam Hee Chung	1,000,000	100,000	1,100,000	0.03%	2, 4
Keith Alan Holman	520,000	52,000	572,000	0.01%	3, 4
Lai Ka Fai	300,000	30,000	330,000	0.01%	3, 4

Notes:

1. Through their respective interests in the Company disclosed under the subsection on "Long Positions in Shares, Underlying Shares and Debentures of the Company", Mr Or Wai Sheun, Ms Ng Chi Man and Mr Or Pui Kwan were deemed to be interested in 2,296,975,374 ordinary shares, 69,897,537 warrants and 3,703,590,076 non-voting redeemable convertible preference shares ("CPS") of Polytec Asset Holdings Limited. Each warrant confers right to subscribe for one share at the subscription price of HK\$1.98 per share (subject to adjustment). The CPS are issued partly paid as to 10% of the subscription price of HK\$0.02 per share and convertible into 275,191,901 ordinary shares.
2. Mr Tam Hee Chung was deemed to be interested in 1,000,000 shares and 100,000 warrants owned by Larry H.C. Tam & Associates Limited by virtue of his 48% interest therein.
3. Shares and underlying shares were held by the respective Directors in their capacity as beneficial owners.
4. Interests in underlying shares are interests in warrants which confer right to subscribe for one share per warrant at the subscription price of HK\$1.98 per share (subject to adjustment).

Other than the holdings disclosed above, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any Director of the Company or their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein. Save as disclosed above, none of the Directors (including their spouses and children under the age of 18) had, as at 30 June 2006, any interest in, or had been granted any right to subscribe for the shares and options of the Company and its associated corporations within the meaning of the SFO, or had exercised any such rights.

Interests of Substantial Shareholders and Other Persons

As at 30 June 2006, the interests and short positions of persons, other than Directors, in the shares, underlying shares and debentures of the Company as recorded in the register required to be kept under Part XV (s.336) of the SFO, or otherwise known to the Directors, were as follows:

Name	Number of shares		Percentage of total issued shares	Note
	Long position	Short position		
The Or Family Trustee Limited Inc.	369,838,083	–	54.38%	1
HSBC International Trustee Limited	368,816,083	–	54.22%	2
Prudential plc	37,523,000	–	5.52%	3
Value Partners Limited	36,576,000	–	5.38%	4
Cheah Cheng Hye	36,576,000	–	5.38%	5

Notes:

1. 369,838,083 shares were held by The Or Family Trustee Limited Inc. and referred to in Notes 1 to 3 of the section on "Directors' Interests and Short Positions".
2. As of 30 June 2006, the last notification of interests received by the Company from HSBC International Trustee Limited ("HSBC") under the SFO related to interests held as of 28 June 2006. Of the 368,816,083 shares in which HSBC was interested as of 28 June 2006 as trustee of certain discretionary trusts that it manages, 368,538,083 shares were the shares held by The Or Family Trustee Limited Inc. as trustee on that date. The number of shares held by HSBC as recorded in the register of substantial shareholders' interests as of 30 June 2006 has not taken into account the additional interests held by The Or Family Trustee Limited Inc. after 28 June 2006.
3. Prudential plc was deemed to be interested in 37,523,000 shares held by Prudential Asset Management (Hong Kong) Limited by virtue of its 100% interest therein.
4. Shares were held in the capacity as investment manager.
5. Mr Cheah Cheng Hye was deemed to be interested in 36,576,000 shares held by Value Partners Limited by virtue of his 32.77% interest therein.

Human Resources

As at 30 June 2006, the Group (including Polytec Asset Holdings Limited but excluding associates) employed a total of around 300 employees. The Group ensures that pay levels of employees remain competitive and employees are rewarded based on their performance. Employee benefits include medical insurance, life insurance, retirement schemes, in-house training courses as well as subsidies for external education and training programmes. A share option scheme is also in place to provide incentives and rewards to eligible persons, including Directors and employees.

Closure of Register of Members

The Register of Members of the Company will be closed from Monday, 25 September 2006 to Wednesday, 27 September 2006, both days inclusive. To qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 22 September 2006.

Corporate Information

Kowloon Development Company Limited

A member of the Polytec Group

Board of Directors

Executive Directors

Or Wai Sheun (*Chairman*)

Ng Chi Man

Lai Ka Fai

Or Pui Kwan

Non-executive Directors

Keith Alan Holman (*Deputy Chairman*)

Tam Hee Chung

Yeung Kwok Kwong

Independent Non-executive Directors

Li Kwok Sing, Aubrey

Lok Kung Chin, Hardy

Seto Gin Chung, John

Audit Committee

Li Kwok Sing, Aubrey (*Chairman*)

Lok Kung Chin, Hardy

Seto Gin Chung, John

Yeung Kwok Kwong

Executive Committee

Or Wai Sheun (*Chairman*)

Ng Chi Man

Lai Ka Fai

Yeung Kwok Kwong

Or Pui Kwan

Remuneration Committee

Seto Gin Chung, John (*Chairman*)

Lai Ka Fai

Li Kwok Sing, Aubrey

Lok Kung Chin, Hardy

Company Secretary

Wai Yuk Hing, Monica

Authorised Representatives

Lai Ka Fai

Wai Yuk Hing, Monica

Auditors

KPMG

Registrars

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Services Limited
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Stock Code

The Hong Kong Stock Exchange: 34