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CHINA DEVELOPMENT CORPORATION LIMITED

(Incorporated in Hong Kong with limited liability)

SILVER RICH MACAU DEVELOPMENT LIMITED

(Incorporated in the British Virgin Islands with limited liability)

SPRING WISE INVESTMENTS LTD.

(Incorporated in the British Virgin Islands with limited liability)

LEADER ASSETS LTD.

(Incorporated in the British Virgin Islands with limited liability)

**PROPOSED SUBSCRIPTION OF NEW SHARES,
PROPOSED PLACING OF NEW SHARES
AND
APPLICATION FOR THE GRANTING OF
THE WHITEWASH WAIVER**

Financial adviser to the Subscribers



- The Circular containing, among others, (i) further information of the Subscription Agreement, the Placing Agreement and the Whitewash Waiver; (ii) the recommendations of the independent board committee of the Company to the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; (iii) the advice of independent financial adviser, Ernst & Young Corporate Finance Limited, to the independent board committee of the Company in relation to the Subscription and the Whitewash Waiver; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on 2nd July, 2003.
- The statement of unaudited proforma adjusted consolidated net tangible assets of the Group is set out below.
- The Shareholders should note that the Subscription, the Placing and the granting of the Whitewash Waiver are subject to a number of conditions, including, among other things, approval by the Independent Shareholders or the Shareholders (as the case may be) at the EGM, and therefore may or may not be completed or granted.

Reference is made to the joint announcements (the “Announcements”) of the Company and the Subscribers dated 20th May, 2003 and 10th June, 2003 in relation to the Subscription, the Placing and the Whitewash Waiver. Unless the context otherwise requires, terms used herein shall have the same respective meanings as defined in the Announcements.

DESPATCH OF CIRCULAR

The Directors announce that the circular of the Company (the "Circular") containing, among others, (i) further information of the Subscription Agreement, the Placing Agreement and the Whitewash Waiver; (ii) the recommendations of the independent board committee of the Company to the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; (iii) the advice of independent financial adviser, Ernst & Young Corporate Finance Limited, to the independent board committee of the Company in relation to the Subscription and the Whitewash Waiver; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on 2nd July, 2003.

THE STATEMENT OF UNAUDITED PROFORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following statement of unaudited proforma adjusted consolidated net tangible assets of the Group is based on the audited consolidated net liabilities of the Group as at 30th September, 2002 and adjusted as described below:

	<i>HK\$'000</i>
Audited consolidated net liabilities value of the Group as at 30th September, 2002	(95,204)
Unaudited consolidated interim results of the Group for the six months ended 31st March, 2003	(1,400)
Less: Goodwill as at 31st March, 2003	<u>(6,440)</u>
Proforma adjusted consolidated net liabilities value of the Group immediately prior to Subscription Completion, Placing Completion and completion of the Deed of Settlement	(103,044)
Estimated net proceeds from the Subscription	70,000
Estimated net proceeds from the Placing (on the assumption that all the 298,000,000 new Shares are successfully placed pursuant to the Placing Agreement)	19,500
Estimated gain arising from completion of the Deed of Settlement (<i>Note</i>)	<u>32,400</u>
Proforma adjusted consolidated net tangible asset value of the Group immediately following Subscription Completion, Placing Completion and completion of the Deed of Settlement	<u><u>18,856</u></u>
Proforma adjusted consolidated net liabilities value per Share immediately prior to Subscription Completion, Placing Completion and completion of the Deed of Settlement based on 149,064,233 Shares in issue as at the Latest Practicable Date	<u><u>(69.1) cents</u></u>
Proforma adjusted consolidated net tangible asset value per Share immediately following Subscription Completion, Placing Completion and completion of the Deed of Settlement based on 1,490,264,233 Shares in issue upon Subscription Completion and Placing Completion	<u><u>1.3 cents</u></u>

Note: The estimated gain is calculated based on the fact that the Group is only required to pay the Settlement Sum of HK\$20 million to settle the Indebtedness which amounted to approximately HK\$52.4 million as at 31st March, 2003.

GENERAL

The Shareholders should note that the Subscription, the Placing and the granting of the Whitewash Waiver are subject to a number of conditions, including, among other things, approval by the Independent Shareholders or the Shareholders (as the case may be) at the EGM, and therefore may or may not be completed or granted.

By the order of the board
China Development Corporation Limited
Kwok Ka Lap, Alva
Director

By the order of the board
Silver Rich Macau Development Limited
Sonny Yeung Hoi Sing
Director

By the order of the board
Spring Wise Investments Ltd.
Chan Hon Keung

By the order of the board
Leader Assets Ltd.
Lam Shu Chung
Director

Hong Kong, 30th June, 2003

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Subscribers or their respective associates) and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than information relating to the Subscribers or their respective associates) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than information relating to the Subscribers or their respective associates) misleading.

The directors of Silver Rich Macau Development Limited jointly and severally accept full responsibility for the accuracy of the information relating to Silver Rich Macau Development Limited and its associates contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement relating to Silver Rich Macau Development Limited and its associates have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement relating to Silver Rich Macau Development Limited and its associates in this announcement misleading.

The directors of Ontime Group Ltd., which is the corporate director of Spring Wise Investments Ltd. accept full responsibility for the accuracy of the information relating to Spring Wise Investments Ltd. and its associates contained in this announcement and confirms having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement relating to Spring Wise Investments Ltd. and its associates have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement relating to Spring Wise Investments Ltd. and its associates in this announcement misleading.

The sole director of Leader Assets Ltd. accepts full responsibility for the accuracy of the information relating to Leader Assets Ltd. and its associates contained in this announcement and confirms having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement relating to Leader Assets Ltd. and its associates have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement relating to Leader Assets Ltd. and its associates in this announcement misleading.