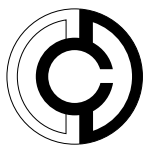


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## **CHINA DEVELOPMENT CORPORATION LIMITED**

*(Incorporated in Hong Kong with limited liability)*

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

The Board is pleased to announce that the Subscription Agreement was completed on 25th July, 2003. Immediately after Subscription Completion, the public float of the Shares has been decreased to 12.5% which is less than the minimum prescribed percentage of 25% as stipulated in Rule 8.08 of the Listing Rules. The Directors expect that the public float of the Shares will be restored by 31st July, 2003 as the Directors expect that the placing of a total number of 298,000,000 new Shares by the Placing Agent pursuant to the Placing Agreement will be completed by 31st July, 2003 after taking into account the fact that the Placing Agent has already obtained indications from seven Placees for the subscription of all the 298,000,000 new Shares under the Placing. The Company has made an application to the Stock Exchange for a waiver from the strict compliance with Rule 8.08 of the Listing Rules for one month after the date of Subscription Completion.

The Board also announces that, upon Subscription Completion, there are changes of the Directors and company secretary of the Company, the details of which are set out below.

Reference is made to the joint announcements of the Company and the Subscribers dated 20th May, 2003, 10th June, 2003, 30th June, 2003 and 21st July, 2003 respectively and the circular (the "Circular") of the Company dated 2nd July, 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 Circular.

#### **COMPLETION OF THE SUBSCRIPTION AGREEMENT**

The Board is pleased to announce that all the conditions of the Subscription Agreement have been fulfilled on 24th July, 2003. Pursuant to a letter between the Company and the Subscribers dated 24th July, 2003, it was agreed that the Subscription Agreement would be completed on 25th July, 2003, instead of on the third business day after all the conditions of the Subscription Agreement had been fulfilled or waived. Accordingly, Subscription Completion took place on 25th July, 2003. Immediately after Subscription Completion, the public float of the Shares has been reduced to 12.5% which is less than the minimum prescribed percentage of 25% as stipulated in Rule 8.08 of the Listing Rules. The Directors expect that the public float of the

Shares will be restored by 31st July, 2003 as the Directors expect that the placing of a total number of 298,000,000 new Shares by the Placing Agent pursuant to the Placing Agreement will be completed by 31st July, 2003 after taking into account the fact that the Placing Agent has already obtained indications from seven Placees for the subscription of all the 298,000,000 new Shares under the Placing.

The shareholding structures of the Company immediately before and after Subscription Completion and after Subscription Completion and Placing Completion are set out below:

Name	Shareholding immediately before Subscription Completion		Shareholding immediately after Subscription Completion but before Placing Completion		Shareholding immediately after Subscription Completion and Placing Completion	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Non-public</b>						
Cyber Best Trading Limited (Note 1)	45,187,069	30.3	-	-	-	-
The Subscribers						
- Silver Rich Macau Development Limited	-	-	678,080,000	56.9	678,080,000	45.5
- Spring Wise Investments Ltd.	-	-	290,606,000	24.4	290,606,000	19.5
- Leader Assets Ltd.	-	-	74,514,000	6.2	74,514,000	5.0
Sub-total	-	-	1,043,200,000	87.5	1,043,200,000	70.0
<b>Public</b>						
Cyber Best Trading Limited (Note 1)	-	-	45,187,069	3.8	45,187,069	3.0
Placees (Note 2)	-	-	-	-	298,000,000	20.0
Other public	103,877,164	69.7	103,877,164	8.7	103,877,164	7.0
Total	<u>149,064,233</u>	<u>100.0</u>	<u>1,192,264,233</u>	<u>100.0</u>	<u>1,490,264,233</u>	<u>100.0</u>

**Notes:**

1. The entire issued share capital of Cyber Best Trading Limited is beneficially and wholly owned by Mr. Lin Che Chu.
2. It is intended that the Placing will be undertaken such that all Placees will be regarded as the public (as defined under the Listing Rules) upon Subscription Completion and Placing Completion.

The Company has made an application to the Stock Exchange for a waiver from the strict compliance with Rule 8.08 of the Listing Rules for one month after the date of Subscription Completion. **The Stock Exchange has stated that it will closely monitor trading in the Shares if less than 25% of the Shares are held by the public. If the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are too few Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares. In addition, the Stock Exchange has stated it will suspend trading in the Shares if less than 10% of the Shares are held by the public.**

## **CHANGE OF DIRECTORS**

The Board announces that each of Mr. Kwok Ka Lap, Alva and Mr. Lam Siu Sek resigned as an executive Director, and Mr. Lien Kait Long resigned as a non-executive Director on 25th July, 2003.

The Board announces that Mr. Sonny Yeung Hoi Sing has been appointed as the Chairman and executive Director and Mr. Chan William and Mr. Lee Siu Cheung have been appointed as executive Directors with effect from 25th July, 2003.

Mr. Sonny Yeung Hoi Sing, aged 49, has been the National Committee Member of the Chinese People's Consultative Conference, the People's Republic of China since 1993. He has over 20 years' working experience in the finance industry of Hong Kong including holding managerial roles in financial services such as leveraged foreign exchange trading, securities and future brokerage. At present, Mr. Sonny Yeung Hoi Sing is the sole beneficial owner of Young Champion, a private company incorporated in Hong Kong, which is a licensed corporation under the SFO and a participant of the Stock Exchange and is principally engaged in the provision of securities trading. Mr. Sonny Yeung Hoi Sing is a director of Silver Rich Macau Development Limited, one of the Subscribers, which is wholly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Sonny Yeung Hoi Sing.

Mr. Chan William, aged 28, is a director of Tung Wah Group of Hospitals (2003/2004), the Current Advisor of Yan Chai Hospital 36th Term Board of Directors and the Divisional Vice President of Hong Kong St. John Ambulance Brigade Headquarters Command. Mr. Chan William has joined Young Champion as the Account Manager from March, 2001 to July, 2003. Mr. Chan William has a 50% equity interest in Spring Wise Investments Ltd., which is one of the Subscribers. In addition, Mr. Chan William has a 50% equity interest in Ontime Group Ltd., which is the sole corporate director of Spring Wise Investments Ltd.

Mr. Lee Siu Cheung, aged 38, is a member of Hong Kong Institute of Architects and an Authorised Person (List of Architects). Mr. Lee Siu Cheung has over 15 years of working experience in the architectural industry and has worked for a number of architects companies in Hong Kong. During 2001 and 2003, Mr. Lee Siu Cheung was a consultant of Bold Victory Developments Ltd, a real estate project management company wholly owned by Mr. Sonny Yeung Hoi Sing. Since April 2003, Mr. Lee Siu Cheung has been an assistant to director of Young Champion.

## **CHANGE OF COMPANY SECRETARY**

The Board announces that Ms. Chan Yan Yan, Jenny has resigned as the company secretary of the Company and Ms. Chiu Nam Ying, Agnes, a practising solicitor, has been appointed as the company secretary of the Company with effect from 25th July, 2003.

By order of the board  
**China Development Corporation Limited**  
**Sonny Yeung Hoi Sing**  
*Chairman*

Hong Kong, 25th July, 2003