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CHINA DEVELOPMENT CORPORATION LIMITED
(Incorporated in Hong Kong with limited liability)

**DELAY IN PUBLICATION OF THE FINAL AUDITED RESULTS OF
THE GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2002**

The Board announces that the meeting of the Board in approving the publication of the final audited results of the Group for the year ended 30 September 2002 will be postponed from 28 January 2003 to 13 February 2003 and the publication of the final audited results of the Group will be delayed to 14 February 2003 and the despatch of the Company's annual report will be delayed to 17 February 2003 accordingly. The Board wishes to state that the delay in the despatch of the Company's annual report and the publication of the final audited results of the Group constitute a breach of paragraphs 8(1) and 11(1) of the Listing Agreement by the Company. The Stock Exchange reserves the right to take actions against the Company and/or its directors as a result of the breach.

The board also noted the increases in the price of the shares and trading volume of the Company's shares on 28 January 2003.

Trading of the Company's shares was suspended from 9:30 am on 29 January 2003 and will be resumed from 9:30 am on 4 February 2003.

Shareholders are advised to exercise extreme cautions when dealing in the shares of the Company.

The Board of Directors of the Company (the "Board") announces that the meeting of the Board in approving the publication of the final audited results of the Company and its subsidiary companies (the "Group") for the year ended 30 September 2002 will be postponed from 28 January 2003 to 13 February 2003 and the publication of the final audited results of the Group will be delayed to 14 February 2003 and the despatch of the Company's annual report will be delayed to 17 February 2003 accordingly. Notice of the postponement of the meeting of the Board has been given to the Stock Exchange.

The Company is advised by the Company's auditors immediately prior to the Directors' meeting scheduled to be held at 5 pm of 28 January 2003 in approving the publication of the Group's final audited results for the year ended 30 September 2002 that the audited accounts of one of the Company's major subsidiary companies and a disposed major group of ex-subsidiary companies in Singapore which are not audited by the Company's auditors, are yet to be finalized and received by the Company's auditors. Until just prior to the above scheduled Directors' meeting, the Company and the Company's auditors had been expecting

the audit could be finalized with the only outstanding issues being: 1) the obtaining of professional clearance from the auditors of a disposed major group of ex-subsidary companies and 2) the satisfactory review by the Company's auditors on the audit work performed by the auditors of a major subsidiary company. The Company is informed by the Company's auditors that the unsatisfactory clearance of the above could result in a qualification of the Company's final accounts. The Board of Directors has evaluated the situation and decided to postpone the approval of the final accounts for another two weeks to enable the Company's auditors to resolve the above issues with the auditors of the subsidiary and the disposed group of subsidiaries concerned respectively. Nevertheless, the audited financial statements of the Group for the year ended 30 September 2002 is expected to be completed by 13 February 2003.

The Board wishes to state that the delay in the despatch of the Company's annual report and the publication of the final audited results of the Group constitute a breach of paragraph 8(1) and 11(1) of the Listing Agreement by the Company under which the Company has to issue to its member copy of its annual report and publish its preliminary results of the Company's audited financial statements for the year ended 30 September 2002 on or before 30 January 2003. The Stock Exchange reserves the right to take actions against the Company and/or its directors as a result of the breach. Nevertheless, the unaudited consolidated results of the Group for the year ended 30 September 2002, together with the comparative figures for the fifteen months ended 30 September 2001 are presented as follows:

	Year ended 30 September 2002	15 months from 1 July 2000 to 30 September 2001
<i>Notes</i>	<i>HK\$000</i>	<i>HK\$000</i>
Turnover		
- Continuing operations	35,992	6,396
- Discontinuing operations *	<u>266,271</u>	<u>435,431</u>
	302,263	441,827
Cost of sales	<u>(290,071)</u>	<u>(386,216)</u>
Gross profit	12,192	55,611
Other revenue	<u>7,407</u>	<u>13,484</u>
	19,599	69,095
Administrative expenses	(38,094)	(54,800)
Staff costs	(24,674)	(39,192)
Other operating expenses	(103,219)	(292,734)
Gain on disposal of discontinued operations *	<u>44,550</u>	<u>—</u>
Loss from operations		
- Continuing operations	(73,163)	(243,739)
- Discontinued operations *	<u>(28,675)</u>	<u>(73,892)</u>

		Year ended 30 September 2002	15 months from 1 July 2000 to 30 September 2001
	<i>Notes</i>	<i>HK\$000</i>	<i>HK\$000</i>
Finance costs		(101,838) <u>(12,592)</u>	(317,631) <u>(9,797)</u>
Share of results of associated company		(114,430) <u>(1,285)</u>	(327,428) <u>1,424</u>
Loss before taxation		(115,715)	(326,004)
Taxation	3	<u>133</u>	<u>(3,548)</u>
Loss after taxation		(115,582)	(329,552)
Minority interests		<u>175</u>	<u>301</u>
Loss for the period/year		<u>(115,407)</u>	<u>(329,251)</u>
Loss per share	4		
- Basic		<u>(7.7) cents</u>	<u>(31.7) cents</u>

* This represents the results of a disposed major group of ex-subsidiary companies of the Company in Singapore. For details of the disposal, please refer to the announcement made by the Company on 23 August, 2002.

Notes:

1. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong, and comply with statements of standard accounting practice (“SSAP”) issued by the Hong Kong Society of Accountants (“HKSA”), the disclosure requirements of the Hong Kong Companies Ordinance and The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The financial statements are prepared under the historical cost convention.

2. Fundamental accounting concepts

The Company and the Group incurred a net loss of HK\$217,492,000 and HK\$115,407,000 respectively for the year ended 30 September 2002; and as at 30 September 2002 the Company’s current liabilities exceeded its current assets by HK\$20,374,000 while the Group’s current assets exceeded its current liabilities by HK\$437,000. The financial statements have been prepared on going concern basis the applicability of which will depend upon future funding being available.

3. Taxation

	30 September 2002 HK\$000	15 months from 1 July 2000 to 30 September 2001 HK\$000
Group		
Taxation charge comprises the following:		
Write-back of deferred overseas tax of the discontinued operation	922	—
Provision of overseas tax of the discontinued operation	(359)	—
Underprovision in prior years	<u>(430)</u>	<u>(3,548)</u>
	<u>133</u>	<u>(3,548)</u>

No provision for Hong Kong profits tax is required as both the Company and the Group incurred a loss for the year except for the discontinued operation, for which provision has been calculated at the rates applicable in the countries in which the disposed group of subsidiary of companies operate.

4. Loss per share

The calculation of basic loss per share is based on the net loss of HK\$115,406,000 (30 September 2001: HK\$329,251,000) attributable to shareholders for the year divided by the weighted average number of 1,490,642,334 (30 September 2001: HK\$1,039,188,365) ordinary shares in issue during the year.

The Board wishes to state that the Group's unaudited final results presented above are prepared based on the draft financial statements of the Company and its subsidiary companies including the disposed group of subsidiaries, and have been reviewed by the Company's audit committee only. Accordingly, there may be substantial and material adjustments to the unaudited final results of the Group. The Company advises the investors and the public to exercise extreme cautions when interpreting the unaudited final results of the Group.

The Board confirms that there has been no Directors' dealings in the shares of the Company since 28 December 2002 and will not deal in the trading of the shares of the Company until the publication of the final audited results of the Group for the year ended 30 September 2002.

The Board also noted the increases in the price of the shares and trading volume of the Company's shares on 28 January 2003. The Company is not aware of any reasons for such increases save as those disclosed above and in the announcements dated 19 December 2002 and 10 January 2003 in relation to the proposed consolidation of shares, reduction of share capital and increase of the authorized share capital and the announcement dated 14 January 2003 in relation to the call option agreement. The Board also confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Trading of the Company's shares was suspended from 9:30 am on 29 January 2003 and will be resumed from 9:30 am on 4 February 2003.

Shareholders are advised to exercise extreme cautions when dealing in the shares of the Company.

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board
China Development Corporation Limited
Cheung Yu Shum, Jenkin
Chairman

Hong Kong, 30 January 2003

Please also refer to the published version of this announcement in The Standard.