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**WHEELOCK**

*Founded 1857*

**WHEELOCK AND COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*



**NEW ASIA REALTY AND  
TRUST COMPANY, LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**REALTY DEVELOPMENT  
CORPORATION LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**JOINT ANNOUNCEMENT**

**(1) PROPOSED PRIVATISATION OF  
REALTY DEVELOPMENT CORPORATION LIMITED**

**BY WAY OF A SCHEME OF ARRANGEMENT**

**(Under section 166 of the Companies Ordinance)**

**(2) CONNECTED TRANSACTIONS FOR  
WHEELOCK AND COMPANY LIMITED**

**AND**

**NEW ASIA REALTY AND TRUST COMPANY, LIMITED**

**Financial Adviser to New Asia Realty and Trust Company, Limited**

**HSBC** 

**The Hongkong and Shanghai Banking Corporation Limited**

The directors of NART and RDC jointly announce that, on 13th December, 2002, NART requested that the RDC Directors put forward a proposal to the Scheme Shareholders regarding a proposed privatisation of RDC by way of a scheme of arrangement under Section 166 of the Companies Ordinance.

NART proposes that all Scheme Shares will be cancelled in exchange for HK\$3.20 in cash for each Scheme Share.

The listing of the RDC Shares on the Stock Exchange will be withdrawn following the effective date of the Scheme, and RDC will become a wholly owned subsidiary of NART. The Proposal is conditional upon the fulfilment or waiver, as applicable, of the conditions described in the section headed "Conditions of the Proposal" below. All conditions will have to be fulfilled or waived, as applicable, on or before 30th April, 2003 (or such later date as NART and RDC may agree).

As at the Announcement Date, the Scheme Shareholders were interested in 317,516,367 RDC Shares, representing approximately 27.58% of the issued share capital of RDC. The amount of cash required for the Proposal is approximately HK\$1,016.1 million. The consideration payable under the Scheme will be financed by bank borrowings arranged by NART for this purpose. HSBC, the financial adviser to NART, is satisfied that sufficient financial resources are available to NART for the implementation of the Proposal. As at the Announcement Date, there were no outstanding options, warrants or convertible securities issued by RDC.

#### *Shareholding in RDC*

As at the Announcement Date, NART was interested in 833,873,273 RDC Shares representing approximately 72.42% of the issued share capital of RDC. In addition Frexon, an indirectly wholly owned subsidiary of Wheelock and a company deemed to be acting in concert with NART, was interested in 20,067,506 RDC Shares, representing approximately 1.75% of the issued share capital of RDC.

#### *Despatch of the Scheme Document*

A Scheme Document containing, among other things, further details about the Proposal and the Scheme, the advice of the independent board committee and the independent financial adviser referred to below in the section of this announcement headed "General", a notice of the Court Meeting and a notice of an extraordinary general meeting of RDC will be sent to the RDC Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code.

#### *Interim Dividend*

The interim dividend of HK\$0.03 per RDC Share in respect of the half-year period ended 30th September, 2002 will be paid on 23rd January, 2003 to RDC Shareholders whose names appear on the register of members of RDC on 10th January, 2003. Payment of the interim dividend is not affected by the Proposal.

*Suspension of trading in shares of Wheelock, NART and RDC*

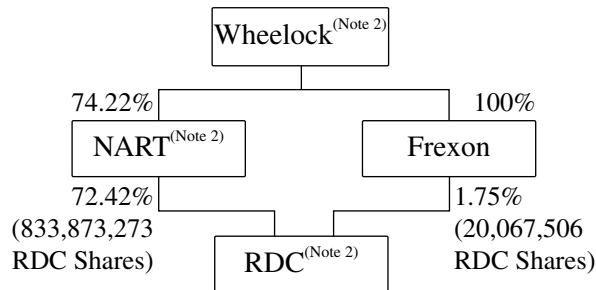
At the request of Wheelock, NART and RDC respectively, trading in their shares on the Stock Exchange was suspended from 9:30 a.m. on 9th December, 2002 pending the issue of this announcement. Applications have been made by Wheelock, NART and RDC respectively to the Stock Exchange for the resumption of trading in their shares with effect from 9:30 a.m. on 18th December, 2002.

**Shareholders of NART and/or RDC and potential investors in NART and/or RDC should be aware that implementation of the Proposal is subject to the conditions set out below being fulfilled or waived, as applicable, and thus may or may not become effective. They are advised to exercise caution when dealing in NART Shares and RDC Shares.**

The RDC Directors intend that the listing of the RDC Shares on the Stock Exchange will be withdrawn if the Scheme is implemented and be maintained in the event that the Scheme is not approved or lapses.

## OVERVIEW

An overview of the structure of the parts of the Wheelock Group involved in the Proposal, immediately prior to commencement of implementation of the Proposal, is set out below:



Total issued share capital of RDC - 1,151,389,640 RDC Shares

- Notes:*
1. % figures are approximate.
  2. Listed on the Stock Exchange.
  3. The above chart sets out the principal companies involved, with wholly owned intermediary holding companies being omitted.
  4. Wheelock, NART and RDC are parties who are presumed to be acting in concert.

The Proposal allows NART to eliminate the listing of a subsidiary which has not raised any money from the equity capital market since 1972 and which, in the opinion of NART, having regard to RDC's projects in hand, will have no need or ability for the foreseeable future to raise money from the equity capital market. It will also allow NART to increase its interest in the businesses of RDC which the management of NART believe will positively

contribute towards shareholder value for NART. At the same time, the Proposal allows the minority investors in RDC to realise their investments at a significant premium to the prevailing market price without the constraint, caused by the low liquidity in RDC Shares, that would apply if it was sought to do this through the market.

## **INTRODUCTION**

On 13th December, 2002, NART requested that the RDC Directors put forward a proposal to the Scheme Shareholders regarding a proposed privatisation of RDC by way of a scheme of arrangement under Section 166 of the Companies Ordinance involving the cancellation of all the Scheme Shares.

## **TERMS OF THE PROPOSAL**

The Scheme will provide that the Scheme Shares be cancelled and, in consideration thereof, each Scheme Shareholder will be entitled to receive HK\$3.20 in cash for each Scheme Share held.

As at the Announcement Date, there were 1,151,389,640 RDC Shares in issue and the Scheme Shareholders were interested in 317,516,367 RDC Shares, representing approximately 27.58% of the issued share capital of RDC. The amount of cash required for the Proposal is approximately HK\$1,016.1 million.

The cash consideration of HK\$3.20 per Scheme Share represents:

- a premium of approximately 28.00% over the closing price of HK\$2.500 per RDC Share as quoted on the Stock Exchange on 6th December, 2002 (being the last trading day prior to the suspension of trading in the RDC Shares pending the issue of this announcement);
- a premium of approximately 28.00% over the average closing price of approximately HK\$2.500 per RDC Share based on the daily closing prices as quoted on the Stock Exchange over the five trading days up to and including 6th December, 2002;
- a premium of approximately 40.17% over the average closing price of approximately HK\$2.283 per RDC Share based on the daily closing prices as quoted on the Stock Exchange over the 1 month period up to and including 6th December, 2002;
- a premium of approximately 57.64% over the average closing price of approximately HK\$2.030 per RDC Share based on the daily closing prices as quoted on the Stock Exchange over the 3 month period up to and including 6th December, 2002;
- a premium of 76.80% over the lowest closing price during the 12 month period ended on the Announcement Date of HK\$1.810 per RDC Share, as quoted on the Stock Exchange on 7th October, 2002; and

- a discount of approximately 25.93% to the book NAV per RDC Share as at 30th September, 2002 of approximately HK\$4.320 as set out in RDC's interim results.

On the basis of the consideration of HK\$3.20 per Scheme Share, which was arrived at after taking into account the above, the Proposal values the entire issued share capital of RDC at approximately HK\$3,684.4 million. The consideration payable under the Scheme, amounting to approximately HK\$1,016.1 million in cash, will be financed by bank borrowings arranged by NART for the purpose. HSBC, the financial adviser to NART, is satisfied that sufficient financial resources are available to NART for the implementation of the Proposal.

The interim dividend of HK\$0.03 per RDC Share in respect of the half-year period ended 30th September, 2002 will be paid on 23rd January, 2003 to RDC Shareholders whose names appear on the register of members of RDC on 10th January, 2003. Payment of the interim dividend is not affected by the Proposal.

### INFORMATION ON RDC

RDC is a company incorporated in Hong Kong with limited liability and the RDC Shares have been listed on the Stock Exchange, or its predecessor exchanges, since 1970. The principal business of RDC is investment holding.

A summary of the consolidated results of RDC for the year ended 31st March, 2002, and for the period of six months ended 30th September, 2002, is set out below:

	<b>Unaudited For the 6 months ended 30th September, 2002 <i>HK\$million</i></b>	<b>Audited For the year ended 31st March, 2002 <i>HK\$million</i></b>
Turnover	505.9	503.6
Operating profit	92.7	179.7
Profit/(loss) before taxation	(346.5)	(72.3)
Profit/(loss) after tax but before minority interests	(352.8)	(81.2)
Profit/(loss) attributable to RDC Shareholders	<u>(352.9)</u>	<u>(81.3)</u>

The NAV of RDC as at 30th September, 2002 was approximately HK\$4,970.4 million, or approximately HK\$4.32 per RDC Share (based on 1,151,389,640 RDC Shares in issue as at that date). The NAV was determined after a downward revaluation of the RDC Group's properties and long-term investments as set out in the interim results.

## *Assets held by RDC*

The following are the principal categories of assets held by RDC and its interests in them (all assets referred to below are wholly owned by RDC save where stated otherwise):

- Investment properties in Hong Kong:
  - 3-24/Fl. and Shop C of Wheelock House
  - Shops and godown spaces at 100-142 Belcher's Street, Kennedy Town
  - Shops and carparks at Basement - 3/Fl., Healthy Gardens Podium, 560 King's Road, North Point
- Properties under development in Hong Kong:
  - 20% attributable interest in "Sorrento" - 2,126 residential units in 5 towers totaling 2.5 million sq. ft GFA above the Kowloon MTRC station. Completion of Phases I and II of Sorrento are expected to take place some time during the first quarter of 2003 and the first quarter of 2004 respectively. The pre-sale of Sorrento Phase I was launched at the end of last year, and Phase II has recently been launched
  - 20% attributable interest in King's Park development of 700 residential units totaling 904,200 sq. ft GFA. Foundation works at King's Park are now in progress. Pre-sale is targeted to take place during the first quarter of 2003 with completion scheduled for the first quarter of 2004
  - KCTL 448 - industrial/office development totaling 242,100 sq. ft GFA in Kwai Chung, for which completion is expected by the third quarter of 2003
- Farm land in Hong Kong:
  - Various lots with a total site area of approximately 5.3 million sq. ft
- Unsold units/carparks in Hong Kong:

— My Loft	57,160 sq. ft / 41 units + 25 car park spaces
— Palm Cove	61,808 sq. ft / 65 units + 390 car park spaces
— Forest Hill	10,728 sq. ft / 5 units + 6 car park spaces
— The Astrid	17,717 sq. ft / 15 units + 27 car park spaces
— Parc Regal	1,325 sq. ft / 1 unit + 2 car park spaces
— The Regalia	6,435 sq. ft / 5 units + 36 car park spaces (+ 4 car park spaces which are jointly owned)

- Parc Oasis I & III            525 car park spaces
- Parc Oasis II                128 car park spaces  
(attributable  
interest of 50%)
- Fortress Garden            2 car park spaces
- Bailey Garden              10,472 sq. ft shop / 7 units + 118 car park spaces
- Parc Royale                361 car park spaces  
(attributable  
interest of 44%)
- Quoted investments - market value as at 16th December, 2002:
  - The Wharf (Holdings) Limited - approximately 1.3% interest in its issued shares with a market value of approximately HK\$503.0 million
  - Other quoted investments - aggregate market value of approximately HK\$589.5 million

#### SHAREHOLDING STRUCTURE OF RDC

The table below sets out the shareholding structure of RDC as at the Announcement Date and immediately following completion of the Proposal:

	As at the Announcement Date		Number of Scheme Shares	Immediately following completion of the Proposal	
	Number of RDC Shares	%		Number of RDC Shares	%
NART	833,873,273	72.42	—	1,151,389,640	100.00
Frexon	20,067,506	1.75	20,067,506	—	0.00
Sub total	853,940,779	74.17	20,067,506	1,151,389,640	100.00
Public	297,448,861	25.83	297,448,861	—	0.00
Total	<u>1,151,389,640</u>	<u>100.00</u>	<u>317,516,367</u>	<u>1,151,389,640</u>	<u>100.00</u>

- Notes:
1. % figures are approximate.
  2. Under the Scheme, the share capital of RDC will be reduced by cancelling and extinguishing the Scheme Shares. Forthwith upon such reduction, the authorised share capital of RDC will be increased to its former amount by the creation of the same number of new RDC Shares (the “New RDC Shares”) as the cancelled Scheme Shares through applying the credit arising in RDC’s books of account as a result of such capital reduction in paying up in full at par the New RDC Shares, which will be allotted and issued, credited as fully paid, to NART or as it may direct.

Following the effective date of the Scheme and the withdrawal of listing of the RDC Shares on the Stock Exchange, RDC will become a wholly owned subsidiary of NART.

As at the Announcement Date, there were no outstanding options, warrants or convertible securities issued by RDC.

No NART Director or RDC Director, nor any of their respective associates (as this term is defined in the Listing Rules) holds any RDC Shares.

None of Wheelock, NART, the Wheelock Directors or the NART Directors has dealt for value in RDC Shares during the period of six months ending on (and including) the Announcement Date.

## **REASONS FOR AND BENEFITS OF THE PROPOSAL**

### ***For NART***

The Proposal allows NART to eliminate the listing of a subsidiary which has not raised any money from the equity capital market since 1972 and which in the opinion of NART, having regard to RDC's projects in hand, will have no need or ability for the foreseeable future to raise money from the equity capital market. It will also allow NART to increase its interest in the businesses of RDC which the management of NART believe will positively contribute towards shareholder value for NART.

The withdrawal of RDC's listing on the Stock Exchange and its conversion into a wholly owned subsidiary of NART will also eliminate the expense of having to comply with the Listing Rules requirements for connected transactions whenever NART and RDC jointly undertake property development or investment projects. It is not the intention of NART to relist RDC Shares on any exchange in the foreseeable future.

### ***For RDC Shareholders***

During the 12 month period ended on the Announcement Date the lowest and highest closing prices of the RDC Shares on the Stock Exchange were HK\$1.81 and HK\$2.50, respectively, with a simple average closing price of HK\$2.067. During this period liquidity in the RDC Shares has been restricted with an average daily turnover of 68,865 RDC Shares. The cash consideration of HK\$3.20 per Scheme Share represents a premium of approximately 28.0% to the closing price per RDC Share on the last trading day prior to the suspension of trading in the RDC Shares pending the issue of this announcement, and a premium of approximately 54.8% to the simple average closing price referred to above.

The RDC Shares have habitually traded at a significant discount to their attributable net asset value. Since 27th July, 2000, the ratio of the daily closing price to the last published net asset value for RDC (based on the annual and interim results of RDC) was a discount of between 42.1% and 73.1%. The closing price of RDC Shares on the last trading day prior to suspension of trading in RDC Shares pending issue of this announcement represented a discount of 42.1% to the book NAV per RDC Share as at 30th September, 2002 of HK\$4.32. By contrast, the Cancellation Price is a discount to the book NAV of only 25.9%.



The Proposal accordingly provides an opportunity for Scheme Shareholders to dispose of RDC Shares and receive cash at a price above the prevailing market price. In light of the low liquidity in RDC Shares, it also provides Scheme Shareholders with the opportunity to realise investments in RDC at a significant premium to the closing prices of RDC Shares as referred to above and put the cash raised into alternative investments with higher liquidity than RDC Shares or use it for other purposes.

## **CONDITIONS OF THE PROPOSAL**

The Proposal will become effective and binding on RDC and all RDC Shareholders subject to the fulfilment or waiver (as applicable) of the following conditions:

- (a) the approval (by way of a poll) of the Scheme by a majority in number of the Independent Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than three-fourths in value of the RDC Shares that are voted either in person or by proxy by Independent Shareholders at the Court Meeting, provided that the Scheme is not disapproved by Independent Shareholders at the Court Meeting holding more than 10% in value of all the RDC Shares held by Independent Shareholders;
- (b) the passing of a special resolution (by way of a poll) to approve and give effect to the Scheme (including the cancellation of the Scheme Shares and the reduction of the issued share capital of RDC) by a majority of at least three-fourths of the votes cast by the RDC Shareholders present and voting, in person or by proxy, at an extraordinary general meeting of RDC;
- (c) the sanction of the Scheme (with or without modifications) by the Court of Hong Kong and confirmation of the reduction of capital involved in the Scheme;
- (d) an office copy of the order of the Court of Hong Kong, together with a minute containing the particulars required by Section 61 of the Companies Ordinance, being registered by the Registrar of Companies in Hong Kong;
- (e) the Authorisations having been obtained or made from, with or by (as the case may be) the Relevant Authorities, in Hong Kong and/or any other relevant jurisdictions;
- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective; and
- (g) all bank and other necessary consents which may be required under any existing contractual obligations of RDC being obtained.

NART reserves the right to waive conditions (e), (f) and/or (g), either in whole or in respect of any particular matter. Conditions (a) to (d) cannot be waived in any event. All of the above conditions will have to be fulfilled or waived, as applicable, on or before 30th April, 2003 (or such later date as NART and RDC may agree), otherwise the Scheme will lapse.

**Warning:**

**Shareholders of NART and/or RDC and/or potential investors in the companies should be aware that implementation of the Proposal is subject to the conditions set out above being fulfilled or waived, as applicable, and thus may or may not become effective. They are advised to exercise caution when dealing in NART Shares and/or RDC Shares.**

### **WITHDRAWAL OF LISTING OF RDC SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled. Share certificates for the RDC Shares held by the Scheme Shareholders will thereafter cease to have effect as documents or evidence of title. RDC will apply to the Stock Exchange for the withdrawal of the listing of the RDC Shares on the Stock Exchange immediately following the effective date of the Scheme. The Scheme Shareholders will be notified by way of a press announcement of the exact dates on which the Scheme and the withdrawal of the listing of the RDC Shares on the Stock Exchange will become effective. The Scheme will lapse if it does not become effective on or before 30th April, 2003 or such later date as NART and RDC may agree, and the Scheme Shareholders will be notified by way of a press announcement accordingly. A detailed timetable of the Proposal will be included in the Scheme Document, which will also contain, among other things, further details of the Proposal and the Scheme.

The listing of the RDC Shares will not be withdrawn if the Scheme is not approved or lapses.

### **OVERSEAS SHAREHOLDERS OF RDC**

The making of the Proposal to persons not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas shareholders of RDC wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

## **MEETINGS**

As at the Announcement Date, NART was interested in 833,873,273 RDC Shares, representing approximately 72.42% of the issued share capital of RDC. Such RDC Shares will not be voted at the Court Meeting. In view of the interests of NART in the Proposal, parties acting in concert with NART, including Frexon which holds 20,067,506 RDC Shares representing approximately 1.75% of the issued share capital of RDC, will abstain from voting on the Scheme at the Court Meeting.

## **GENERAL**

NART has appointed HSBC as its financial adviser in connection with the Proposal.

An independent board committee of RDC will be formed to advise the Independent Shareholders in connection with the Proposal. An independent financial adviser will be appointed to advise the independent board committee of RDC in connection with the Proposal and/or the Scheme. An announcement will be made in respect of such appointment as soon as possible after the appointment is made.

The Scheme Document containing, among other things, further details about the Proposal and the Scheme, the expected timetable, the explanatory statement required under the Companies Ordinance, information regarding the RDC Group, valuation reports, the recommendation of the independent board committee of RDC with respect to the Proposal, a letter of advice from the independent financial adviser of RDC to such independent board committee, a notice of the Court Meeting and a notice of an extraordinary general meeting of RDC will be despatched to the RDC Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code.

## **CONNECTED TRANSACTIONS**

The RDC Shares in which Frexon is interested have a value of approximately HK\$64.2 million at the Cancellation Price. The payment of the consideration to Frexon in consideration for the cancellation of its interests in RDC constitutes connected transactions for Wheelock and NART under the Listing Rules. However, as the aggregate value of the consideration to be paid by NART to Frexon of HK\$64.2 million represents less than 3% of the net tangible assets of NART as at 30th September, 2002 based on its interim results as at that date, approval from the independent shareholders of NART will not be required. The details required by Rule 14.25(1) of the Listing Rules in relation to the Proposal will be included in NART's next published annual report and accounts. Also, as the aggregate value of the consideration to be paid represents less than 3% of the net tangible assets of Wheelock as at 31st March, 2002 based on its audited results as at that date, approval from the independent shareholders of Wheelock will not be required. The details required by Rule 14.25(1) of the Listing Rules in relation to the Proposal will be included in Wheelock's next published annual report and accounts.

The transaction does not constitute a notifiable transaction for NART or Wheelock under any other provisions of the Listing Rules.

## **SUSPENSION OF TRADING IN SHARES OF WHEELOCK, NART AND RDC**

At the request of Wheelock, NART and RDC respectively, trading in their shares on the Stock Exchange was suspended from 9:30 a.m. on 9th December, 2002 pending the issue of this announcement. Applications have been made by Wheelock, NART and RDC respectively to the Stock Exchange for the resumption of trading in their shares with effect from 9:30 a.m. on 18th December, 2002.

### **DEFINITIONS USED IN THIS ANNOUNCEMENT**

In this announcement the following expressions have the meanings set out below unless the context requires otherwise:

“Announcement Date”	17th December, 2002, being the date of this announcement
“Authorisations”	all necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Cancellation Price”	the cancellation price of HK\$3.20 per RDC Share payable by NART to the Scheme Shareholders
“Court Meeting”	a meeting of the Independent Shareholders to be convened at the direction of the Court of Hong Kong at which the Scheme will be voted upon, or any adjournment thereof
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Frexon”	Frexon Limited, a company incorporated in the British Virgin Islands with limited liability and which is an indirectly wholly owned subsidiary of Wheelock
“GFA”	gross floor area
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, an exempt dealer under the Securities Ordinance and a licensed bank under the Banking Ordinance, the financial adviser to NART in connection with the Proposal
“Independent Shareholders”	shareholders of RDC other than NART and parties acting in concert with it, including Frexon
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“NART”	New Asia Realty and Trust Company, Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange and which is a subsidiary of Wheelock
“NART Director(s)”	director(s) of NART
“NAV”	the unaudited consolidated net asset value of RDC as at 30th September, 2002 as set out in the interim results announcement of RDC dated 19th November, 2002
“Proposal”	the proposal for the privatisation of RDC by NART by way of the Scheme
“RDC”	Realty Development Corporation Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“RDC Director(s)”	director(s) of RDC
“RDC Group”	RDC and its subsidiaries
“RDC Shares”	share(s) of HK\$0.20 each in the capital of RDC
“RDC Shareholder(s)”	holder(s) of the RDC Shares
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Scheme”	a scheme of arrangement under Section 166 of the Companies Ordinance involving the cancellation of all the Scheme Shares
“Scheme Document”	the document to be despatched to RDC Shareholders containing details of the Scheme
“Scheme Share(s)”	RDC Share(s) held by the Scheme Shareholders
“Scheme Shareholder(s)”	RDC Shareholder(s) other than NART and its subsidiaries
“sq. ft”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Wheelock”	Wheelock and Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Wheelock Director(s)”	director(s) of Wheelock

“Wheelock Group”                      Wheelock and its subsidiaries

“%”    per cent.

On behalf of the board of  
**Wheelock and Company Limited**  
**Wilson W. S. Chan**  
*Secretary*

On behalf of the board of  
**New Asia Realty and Trust Company,**  
**Limited**  
**Wilson W. S. Chan**  
*Secretary*

On behalf of the board of  
**Realty Development Corporation Limited**  
**Wilson W. S. Chan**  
*Secretary*

Hong Kong, 17th December, 2002

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

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

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

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