



CONNECTED TRANSACTIONS

This announcement is published by NWD and NWSH further to their joint announcement dated 19 March 2003.

Under the Master Charter Agreement, CTFEL has agreed (among other matters) that if the Vessels Operation Profit of NWFF (Macau) for any particular financial year (or for the relevant part thereof during the Charter Period) as set out in the pro forma combined profit and loss account of NWFF (Macau) attributable to the operation of the Vessels is less than the Guaranteed Sum, CTFEL will pay to NWFF (Macau) an amount equal to the shortfall.

For the relevant portion of the Charter Period during the financial year ended 30 June 2003 (that is, from 19 March to 30 June 2003), the Guaranteed Sum should be equivalent to approximately HK\$2.8 million. Based on the unaudited pro forma combined profit and loss account of NWFF (Macau) for the same period and as a result of the adverse effects from the SARS outbreak in Hong Kong, there would be a shortfall in the Vessels Operation Profit for the Guaranteed Sum. The exact amount of the shortfall is being calculated and would be published by NWSH in its annual results announcement for the year ended 30 June 2003 in October 2003.

As mentioned in the March Announcement, if there is any such shortfall, both NWD and NWSH will make an announcement immediately. This announcement is made accordingly.

Investors are advised that the Guaranteed Sum and the amount of Charter Hires as disclosed in this announcement were prepared by the management of NWSH for information purposes and are subject to change prior to the publication by NWSH of its annual results announcement for the financial year ended 30 June 2003.

The NWD Directors and the NWSH Directors published a joint announcement dated 19 March 2003 ("March Announcement") in connection with the entering into of the Master Charter Agreement. Terms and expressions defined in the March Announcement shall, unless the context otherwise requires, have the same meanings when used in this announcement.

Under the Master Charter Agreement, CTFEL has agreed (among other matters) that if the net profit before tax of NWFF (Macau) attributable to the operation of the Vessels ("Vessels Operation Profit") for any particular financial year as set out in its pro forma combined profit and loss account is less than HK\$10 million (or such lesser amount as is proportional, on the basis of a 365 day year, thereto in respect of any part of a Charter Period which does not extend to the entire financial year of NWFF (Macau)) ("Guaranteed Sum"), CTFEL will pay to NWFF (Macau) an amount equal to the shortfall in cash within two months after the issue of the certificate by the auditors upon finalisation of the said accounts (which is expected to be completed within 75 days from the closing date of that financial year as stipulated in the Master Charter Agreement, that is, no later than 13 September), provided that such amount shall not in any event exceed the aggregate Charter Hires payable and actually paid by NWFF (Macau) to the Vessel Owners under the Bareboat Charters for the relevant year.

For the relevant portion of the Charter Period ("Relevant Period") during the financial year ended 30 June 2003 (that is, from 19 March to 30 June 2003), the Guaranteed Sum should be equivalent to approximately HK\$2.8 million. Based on the unaudited pro forma combined profit and loss account of NWFF (Macau) for the same period and as a result of the adverse effects from the SARS outbreak in Hong Kong, there would be a shortfall in the Vessels Operation Profit for the Guaranteed Sum. The exact amount of the shortfall is being calculated and would be published by NWSH in its annual results announcement for the year ended 30 June 2003 in October 2003.

The aggregate Charter Hires payable and actually paid by NWFF (Macau) to the Vessel Owners under the Bareboat Charters for the Relevant Period are approximately HK\$8.5 million, the exact amount of actual payment would also be published by NWSH in its annual results announcement for the year ended 30 June 2003. Given that the amount of shortfall is expected to exceed the Charter Hires for the Relevant Period, the actual amount payable by CTFEL to NWFF (Macau) is likely to be capped at an amount equivalent to the Charter Hires for the Relevant Period in accordance with the terms of the Master Charter Agreement.

As mentioned in the March Announcement, if there is such a shortfall, both NWD and NWSH will make an announcement immediately. This announcement is made accordingly.

Investors are advised that the Guaranteed Sum and the amount of Charter Hires as disclosed in this announcement were prepared by the management of NWSH for information purposes and are subject to change prior to the publication by NWSH of its annual results announcement for the financial year ended 30 June 2003.

By Order of the Board
NEW WORLD DEVELOPMENT COMPANY LIMITED
Mr. Leung Chi Kin, Stewart
Company Secretary

By Order of the Board
NWS HOLDINGS LIMITED
Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 14 August 2003

* For identification purposes only