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新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

FINAL DIVIDEND FOR THE YEAR ENDED 30 JUNE 2002

On 18 October 2002, the Directors of New World Development Company Limited (the "Company") resolved to recommend a final dividend for the year ended 30 June 2002 of HK\$0.10 per share, and as to HK\$0.01 per share, this dividend will be paid in cash and as to HK\$0.09 per share, this dividend should take the form of scrip dividend with a cash option to shareholders on the register of members as at 26 November 2002. At the annual general meeting held on 26 November 2002, the said final dividend was approved. This announcement is to advise the shareholders how the scrip entitlements to the said final dividend are being arrived at.

A circular setting out details of the said final dividend was sent to shareholders on 26 November 2002. It was mentioned, inter alia, that for the purpose of calculating the number of shares of HK\$1.00 each of the Company ("Share(s)") to be allotted, the market value of a new Share will be calculated as an amount equal to 97% of the average of the closing prices of an existing Share on The Stock Exchange of Hong Kong Limited for the five trading days up to and including 30 December 2002. It is now determined that the said average closing price is HK\$4.035. Accordingly, the number of new Shares which shareholders of the Company will receive in respect of their existing Shares for which cash election of the scrip entitlements to the said final dividend is not made will be calculated as follows:-

$$\begin{array}{lcl} \text{Number of new Shares} & & \text{Number of existing} \\ \text{to be received} & = & \text{Shares for which cash} \\ & & \text{election is} \\ & & \text{not made} \end{array} \times \frac{\text{HK\$0.09}}{\text{HK\$4.035} \times \frac{97}{100}}$$

The number of new Shares to be received will be rounded down to the nearest whole number of new Shares. Fractional entitlements to the new Shares will not be allotted but will be disregarded and the benefit thereof will accrue to the Company. The new shares will not rank for the final dividend in respect of the year ended 30 June 2002 but will rank pari passu in all other respects with the existing Shares.

Application has been made to the Listing Committee of The Stock Exchange of Hong Kong Limited for the grant of listing of and permission to deal in the new Shares. It is expected that certificates for the new Shares and cheques for cash entitlements will be posted to shareholders of the Company at the risk of those entitled thereto on or before 8 January 2003.

By Order of the Board
Leung Chi Kin
Company Secretary

Hong Kong, 30 December 2002

Please also refer to the published version of this announcement in South China Morning Post.