

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement



HONG KONG FERRY (HOLDINGS) COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

CONNECTED TRANSACTION

The Hong Kong Shipyard Limited, a wholly-owned subsidiary of the Company, has been awarded a sub-contract for the provision and assembly of a footbridge and related installation of aluminium cladding, glass balustrade and typhoon proof ceiling at the construction site at Kowloon Inland Lot No. 11084, Hung Hom Bay Reclamation by Topcycle Construction Company Limited, the main contractor, in pursuance of a tender on 8 March 2001.

Topcycle is a company of which Henderson Land Development Company Limited owns 50%. The latter through its subsidiaries beneficially owns approximately 64.28% of the entire issued share capital of Henderson Investment Limited, a substantial shareholder (as defined in the Listing Rules) of the Company, which through its subsidiaries beneficially owns approximately 30.48% of the entire issued share capital of the Company.

The award of the Sub-Contract constitutes a connected transaction under Rule 14.25(1) of the Listing Rules. Details of the transaction will be included in annual report and accounts in accordance with Rule 14.25(1)(A) to (D) of the Listing Rules.

Particulars of the Sub-Contract

Parties: Topcycle Construction Company Limited ("Topcycle"), 50% owned by Henderson Land Development Company Limited,

The Hong Kong Shipyard Limited ("HKS"), a wholly-owned subsidiary of Hong Kong Ferry (Holdings) Company Limited (the "Company").

Date: 25 April 2001

Main Terms

HKS agreed to carry out works for the provision and assembly of a footbridge and related installation of aluminium cladding, glass balustrade and typhoon proof ceiling at the construction site at Kowloon Inland Lot No. 11084, Hung Hom Bay Reclamation as per the sub-contract awarded by Topcycle (the "Sub-Contract") at a consideration of HK\$1,922,000 (the "Consideration"). The Consideration is payable in a lump sum upon the completion of the works, subject to a retention of 5% which shall be released to HKS after a 12 months' defects liability period from the date of compliance certificate. The provision and assembly works are expected to be completed by September 2001.

Reason for entering into the Sub-Contract

HKS has been diversifying into the structural steel and non-marine engineering businesses for a few years. The directors of the Company (the "Directors") consider that the Sub-Contract would enhance HKS's experience in this area and contribute to the results of the Company and its subsidiaries (the "Group") for the year 2001. The Directors, including the independent non-executive directors, are of the view that the terms of the Sub-Contract are fair and reasonable so far as the shareholders of the Company are concerned and are on normal commercial terms.

General Information for Shareholders

The Company's principal activities are property investment and investing holding and the Group's principal activities are property development and investment, ferry related businesses, travel business and hotel operation. As Topcycle is 50% owned by Henderson Land Development Company Limited which through its subsidiaries beneficially owns approximately 64.28% of the entire issued share capital of Henderson Investment Limited, a substantial shareholder of the Company, the entering into of the Sub-Contract constitutes a connected transaction for the Company under Rule 14.23(1) of the Listing Rules. The Consideration represents approximately 0.05% of the net tangible assets of the Group. Accordingly, no independent shareholders' approval is required and the transaction is disclosed in accordance with Rule 14.25(1) of the Listing Rules. The Company will include details of the award of the Sub-Contract in its 2001 annual report and accounts pursuant to Rule 14.25(1)(A) to (D) of the Listing Rules.

By order of the Board
Law Cho Wa, Richard
Company Secretary

Hong Kong, 25 April 2001