

**Wai Koon Properties Limited**  
27/F Oterprise Square  
26 Nathan Road  
Tsimshatsui  
Kowloon

**Asian Reward Development Limited**  
17/F Tower II  
New World Tower  
18 Queen's Road Central  
Hong Kong

May 12, 2001

By Fax & By Hand  
(Fax: 2523-4973)

Director of Lands  
Lands Department  
Land Supply and Redevelopment Section  
19<sup>th</sup> Floor  
North Point Government Offices  
333 Java Road  
North Point, Hong Kong

Attn: Mr Albert Chan  
Estate Surveyor

Dear Sir

Re: Private Sector Participation Scheme  
Hung Hom Bay Reclamation Area, Kowloon  
Kowloon Inland Lot No. 11076

The developer of the above project pursuant to Conditions of Sale dated October 22 1999 is First Star Development Company Limited ("FS"). The following companies are currently the shareholders of FS: -

Wai Koon Properties Limited ("WK")	51%
Wealth March Property Limited ("WM")	49%

Asian Reward Development Limited ("ARD"), a wholly owned subsidiary of Chow Tai Fook Enterprises Limited ("CTF") was recently engaged in arms-length negotiations with a view to transferring Wai Kee Holdings Limited ("Wai Kee")'s entire shareholding in FS to ARD. If the proposed transfer is implemented, FS will become a member of CTF.

For your information, CTF is a substantial shareholder of the New World Development Company Limited ("NWD"). NWD is an experienced property developer and the ultimate holding company of WM. CTF is also the shareholder of Golden Forum Limited, the developer of the PSPS development at Aldrich Bay Reclamation (Shau Kei Wan Inland Lot No. 839).

We appreciate that, under Clause 17 of the Tender Notice attached to the Conditions of Sale, your consent to the transfer must be obtained. CTF, through its interests in Golden Forum Limited has gained considerable experience in PSPS development and it has consistent cooperation record with companies under NWD Group. The proposed transfer will eliminate a lot of administrative and co-ordination problems, which the existing two

Page 2

Director of Lands  
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May 12, 2001

shareholders may come across in the future. Efficiency will be greatly enhanced, continuity will be assured and possible delays in completion of the project will be avoided.

We have made preliminary enquires with The Hongkong and Shanghai Banking Corporation Limited ("HSBC") and we understand that HSBC is eager to offer a bank loan facility of amount HK\$1,914M to replace the existing syndicated loan arranged by Ka Wah Capital Limited. This commitment was made on the faith of the buy back guarantee provided by the Government for PSPS residential units, and the immense financial capability of CTF.

It is also confirmed that CTF will be prepared to give a performance guarantee upon completion of the share transfer in substitution of guarantee previously given by WK pursuant to Clause 16 of the Tender Notice.

In view of the impressive credentials and financial standing of CTF, we hope that you would give our application favourable consideration.

While we look forward to your early reply, we would like to thank you in advance for your kind assistance in this matter.

If you have any questions, please contact the following:

Contact person: Patrick Lam  
Phone Number: 2131-6816  
Fax Number: 2131-0668  
Address: 30/F New World Tower  
18 Queen's Road Central  
Hong Kong

Yours faithfully  
For and on behalf of  
Wai Koon Properties Limited

Director

Yours faithfully  
For and on behalf of  
Asian Reward Development Limited

Director

cc: By Fax (2714 6150) & By Hand  
Housing Department  
1<sup>st</sup> Floor, Block 2  
33 Fat Kwong Street  
Kowloon

Attn: Ms Peggy Chan  
Chief Estate Surveyor

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Received by CES/PT  
on 15/5/01 at 12:30 pm

→ S/S/P2  
Pls. f.u.  
Rev 16/4  
5/5/17 f.u. as discussed earlier M  
16/11