

FAX

**ASIAN REWARD DEVELOPMENT LIMITED**

30/F, NEW WORLD TOWER, 18 QUEEN'S ROAD CENTRAL, HONG KONG

May 18, 2001

By Fax & By Hand  
(Fax: 2714-6150)Director of Housing  
Housing Department  
1<sup>st</sup> Floor, Block 2  
33 Fat Kwong Street  
KowloonAttn: Mrs Rebecca Wong

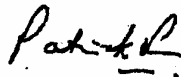
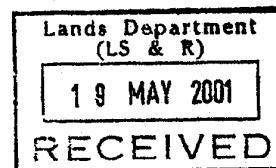
Dear Sir,

**RE: Private Sector Participation Scheme  
KIL No. 11076, Hung Hom Bay Reclamation Area, Kowloon  
Transfer of Shareholdings**

Thank you for your letter dated 16 May 2001. In response to your questions, please find following additional information: -

1. We are confirmed by the management of Wai Kee Holdings Limited ("Wai Kee") that Wai Koon Properties Limited ("Wai Koon") is their wholly owned subsidiary. We attach a copy of the latest Annual Report of Wai Kee for your reference. In particular, you can refer to page 74 of the report, which shows that Wai Kee wholly owns Wai Koon.
2. Your understanding on the new shareholdings structure of First Star Development Limited ("First Star") is correct. To further clarify, First Star will be owned by Chow Tai Fook Enterprises Limited ("CTF") and New World Services Limited ("NWS") after the Transfer of Shareholdings. CTF is the substantial shareholder (holding approximately 34%) of New World Development Co Ltd. ("NWD") and NWS is ultimately owned (51% shareholding) by NWD.

If you have any questions, please do not hesitate to contact the undersigned at telephone number: 2131-6816.

Yours faithfully,  
For and on behalf of  
Asian Reward Development LimitedPatrick Lam Wai Hon  
Directorcc: By Fax (2523-4973) w/o enclosure  
Lands Department  
District Lands Office, Kwai Tsing  
Attn: Mr Albert Chan  
Estate Surveyor

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## Notes to the Financial Statements (cont'd)

For the year ended 31st March, 2000

### 46. PRINCIPAL SUBSIDIARIES (cont'd)

Name of subsidiary	Place of incorporation or registration/operation	Issued and fully paid ordinary share capital/registered capital*	Proportion of nominal value of issued capital/attributable interest held by		Principal activities
			the Company*/subsidiaries %	the Group %	
Wai Kee Quarry Asia Limited	Hong Kong	HK\$2	100	100	Investment holding
Wai Kee (Zens) Construction & Transportation Company Limited	Hong Kong	HK\$2	100	100	Civil engineering
		Ordinary shares HK\$14,800,000	100	100	
		Non-voting deferred shares HK\$5,200,000	-	-	
Wai Kee (Zens) Holding Limited	British Virgin Islands	US\$50,000	100*	100	Investment holding
Wai Koon Properties Limited	Hong Kong	HK\$2	100	100	Property investment
Wai Luen Stone Products Limited	Hong Kong	HK\$2,200,000	100	100	Production of construction materials
		Ordinary shares HK\$800,000	-	-	
		Non-voting deferred shares (note b)	-	-	
Wisecheer China Investments Limited	Hong Kong	HK\$2,000,000	82	82	Trading of plant and machinery
WKH Nominees Limited	Hong Kong	HK\$2	100	100	Provision of nominee services to group companies
Zen Pacific Civil Contractors Limited	Hong Kong	HK\$1,000	100	100	Civil engineering
		Ordinary shares HK\$39,499,800	100	100	
		Non-voting deferred shares	-	-	
Zen Pacific Construction Limited	British Virgin Islands/ Hong Kong	US\$1,000	100	100	Investment holding
Zen Pacific Marine Contractors Limited	Hong Kong	HK\$200,000	100	100	Marine engineering and provision of transportation services