



張陳鍾律師行
CHEUNG, CHAN & CHUNG

Solicitors & Notaries
Agents for Trade Marks and Patents

Unit 5505, 55th Floor, Hopewell Centre,
No. 183 Queen's Road East, Wanchai, Hong Kong.
香港灣仔皇后大道東183號合和中心55字樓5505室
Tel 電話: (852) 2868 2082, (852) 2230 2000
Fax 傳真: (852) 2845 3467
E-mail: office@ccandc.com.hk

YOUR REF:

OUR REF: PC/LC/37000/03

DATE 8th January 2004

PLEASE REPLY TO Mr. Leo Cheung

By Fax: 2845 1017 (02 pages)

Legal Advisory and Conveyancing Office

Lands Department

HONG KONG

1st letter

URGENT

Attn.: Mr. A. L. Robertson, JP

Dear Sirs,

Re: Mediation

We thank you for your letter earlier today, the contents of which are noted.

For the sake of clarity and certainty, we write to confirm that, subject to those relatively trivial issues as identified on the last day of the mediation which are to be resolved by the parties through discussion, a binding contract has now been struck between our client on the one part and the Housing Authority and the Government of the HKSAR ("the Government") on the other part under which the Government has agreed to modify the relevant government lease to the effect that our client will take up the Hung Hom Peninsula development as a private developer in consideration of our client's payment of a premium of HK\$864 million.

PARTNERS:

Cheung King Fook, Derek	LLB	張宗樹律師	2522 4986
Cheng Huen Ming, Leo	LLB	鄭煥明律師	2530 5262
Leung Chun Kuen, Noel	LLB	梁振華律師	2230 2033

ASSOCIATES:

Wong Siu Mei, Susan	LLB	王少梅律師	2230 2013
Tam Chi Kung, Derrick	LLB	譚志強律師	2230 2055
Tse Mun Han, Mandy	LLB	謝文賢律師	2230 2036

SENIOR CONSULTANTS:

* Chung Kwok Cheong	M.A.L.L.B.	曾國昌律師	2522 2904
Wan Chi Shing, Timy	LL.B.	尹榮輝律師	2525 6634
* Susan Johnson	LL.B.	蘇杏娟律師	2558 1002
David A. Fok	M.A.L.L.B.(CANTON)	莫光全律師	2555 1008

**Notary Public*

CONSULTANTS:

Ho Sau Har, Patsy	LL.B.	何秀嫻律師	2230 2062
Charles Alexander Williams		威廉亞歷山大律師	2230 2099



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~~... If you are not agreeable to our interpretation of the present situation~~
and take the view that at the moment there is no binding agreement in existence
as aforesaid, please let us know forthwith so that we can convey the message to
our client without delay.

Yours faithfully,



Cheung, Chan & Chung

c.c. Client