



新鴻基地產發展有限公司
SUN HUNG KAI PROPERTIES LTD.

Chairman & Chief Executive

March 16, 2004

Mr Robert JS Law
Director of Environmental Protection
28/F, Southorn Centre
130 Hennessy Road
Wanchai
Hong Kong

Dear D. Law,

Further to your letter of March 3 regarding Hunghom Peninsula, I would like to assure you that Sun Hung Kai Properties shares your department's concern about Hong Kong's environment and the burden on local landfill sites posed by construction waste.

We are still discussing possible options for the Hunghom development with our joint-venture partner in the project, and no decision has been made at this time. I will acknowledge that demolition is among the various options being considered, but should this prove to be the best way to proceed, we will certainly take all necessary steps to mitigate any adverse environmental impact. We would retain environmental consultants to develop a coordinated waste-management strategy and recycle as much material as is possible, as well as adopt different measures to ensure that the environmental impact is kept to a minimum. Environmental protection would be one of our prime concerns.

Yours sincerely,

Walter Kwok