

Date: 16 MAR 2010

BY FAX (2869-4195)

Companies Bill Team
Financial Services and the Treasury Bureau
15/F., Queensway Government Offices
66 Queensway
Hong Kong

Dear Sirs,

Re: Rewrite of the Companies Ordinance – First Phase Consultation

This letter states our position on Chapter 6 – “Headcount” Test for Approving a Scheme of Compromise or Arrangement of the Financial Services and the Treasury Bureau (FSTB)’s Consultation Paper on the Rewrite of the Companies Ordinance - First Phase Consultation issued in December 2009.

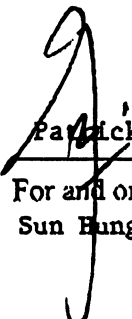
Question 1

In respect of members’ schemes of listed companies, which of the following options do you prefer? Please explain the reasons.

- Option 1: retain the headcount test;**
- Option 2: retain the headcount test but give the court a discretion to dispense with the test; or**
- Option 3: abolish the headcount test.**

There are existing safeguards in the Code on Takeovers and Mergers to protect the interests of minority shareholders such as advice from independent board committee and the number of votes cast against the resolution shall not be more than 10% of the voting rights attached to all disinterested shares (Rule 2.10(b)).

Yours faithfully,


Patrick Chan Kwok-wai
For and on behalf of
Sun Hung Kai Properties Ltd.

(Stock Code: 16)