

7 January 2011

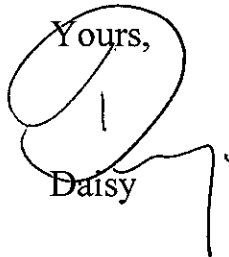
Dear Dad,

Thank you for your letter dated 5 January 2011.

Firstly, I want to apologise for not being available to see you on Wednesday afternoon as I was very tied up. Ina, Pansy and myself did, however, meet with you on Wednesday evening and I am glad that any misunderstanding there might have been has been cleared up. Following your distribution of SJMH shares to Angela Leong, Ina, Mom, and all us children are grateful that you re-affirmed your instructions to gift the STDM shares to Mom and Ina, so as to preserve harmony within the family and aggregate control over STDM. Further, the share allocation at Lanceford was done in accordance with your instructions. I am glad you once again acknowledged and re-affirmed your instructions and I trust there is no longer any confusion about this. Finally and, just so you know, the STDM shares remain in Lanceford's possession.

Apart from the above, I am very open to any discussion with you and other family members regarding how best to continue the businesses you so successfully established in the past 40 years. If you would like me to set up a family meeting to discuss these issues I would obviously be very happy to do so.

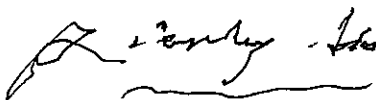
Yours,



Daisy

**Endorsement on copy of letter**

This is to acknowledge that I re-affirm my instructions in relation to my gift of the STDM shares to Lucina and Ina.



Dr Stanley Ho

