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ESTÉE
LAUDER

October 17, 2006

Tax Reform
Financial Services and the Treasury Bureau
4/F., Main Wing, Central Government Offices
Lower Albert Road
Hong Kong

RE: GST Consultation

On behalf of our company, I write to register our opposition to the introduction of GST in Hong Kong.

We believe that GST will have a negative impact to retail and therefore the economy in the short and long term.

Rising rent has already put pressure on the retailers and another layer of tax will further discourage consumer spending. Hong Kong has long lost its competitive advantage as a shoppers' paradise. It is time we start doing something to restore our image and not erode it further. We strongly oppose to a GST in Hong Kong.

Yours Sincerely,
ESTÉE LAUDER (H.K.) LTD.

(Signed)

Kenneth Wong
Managing Director

cc: Hong Kong Retail Management Association