

Your Ref: CB(3)/PAC/R47

By Fax
Dated 2 May 2007

The Legislative Counsel,
The Hong Kong Special Administrative Region of the People's Republic of China,
Attn. Ms Serena Chu

Dear Sirs,

**Re: The Director of Audits' Report on the
Result of value for money audit (Report No.47)
Chapter 2: Administration of short term tenancies**

I refer to your letter of 18 April 2007 and given the long lapse of time, I am afraid that I can only give a reply based upon limited file records so far available to me and to the best of my memory.

Information sought under paragraph (a)

Due to the long lapse of time, I have no recollection as to whether, at the time of my inspection of the site on 4 December 2002, I had any knowledge that the tenant had previous records of breaches of the tenancy or that he had applied for regularisation of the domestic use of the premises.

Information sought under paragraph (b)

Due to the lapse of time, I am unable to recollect as to the time spent on the site inspection etc. According to file records, I note I had inspected the site with SES/SE.

Nevertheless, I do not believe that I had lifted the plastic sheets during the site inspection as it had been a long-standing tradition and practice of the Department that no part of the private properties belonging to any tenants should be interfered with. This tradition and practice were founded upon the necessity of avoiding misunderstanding of the tenants and complaints, and possibly legal action.

Information sought under paragraph (c)

As this is one of many cases I had dealt with long time ago, I am afraid I couldn't remember minor details such as whether or not I made any comparison of the photos taken during the previous inspections. From file records, having received rent review assessment submission, SES/SE and I went for site inspection on 4 December 2002.

Information sought under paragraph (d)

The word 'disused' by me reflect my opinion after inspection of the photos attached to the Papers prepared by Lands Department. The furniture was not used.

The 2nd question is a procedural and land policy issue. It is the practice that we did not assume all the tenants were not honest and not trustworthy and they would breach the tenancy conditions, one way or the other.

Information sought under paragraph (e)

The purpose of my visit was for rent review to assess the open market rent payable for a renewal of the tenancy. Prior to that I had already been assisted by the recommendation of SES/S who had formed an opinion as to the open market rent payable for rental of the tenancy.

My role on that visit was to confirm SES/SE's rent review assessment but not for any other purpose. File records show that actions had been taken separately to deal with any breach.

Yours faithfully,



(Leung Kwai Lam)