

Background Information on Ma Wan Development

1. We refer to your letter on the Ma Wan (MW) development and write to provide the details below. The entire project comprised the development currently known as Park Island, the MW Park (MWP), the relocation of affected villages to the new village type development area and the provision of infrastructure on the island. Park Island (MW lot no. 392) and the MWP (lot number yet to be assigned) are at different locations (see site plan attached).

2. Park Island is located in the “Comprehensive Development Area” (CDA) on the Outline Zoning Plan, and is intended for comprehensive development. Since part of the site was owned by the developer, disposal of the site by an open tender was not practicable. The developer acquired the site for Park Island in 1997 by way of land exchange. In processing the application, the Government solicited the views of residents, in particular the MW villagers, through the District Office, and considered the relevant views in detail. The developer surrendered his private land of 95 062.1 m² in MW, in exchange for a site of 126 500 m² for Park Island, and paid a market value premium at \$3.712 billion in 1997. The gross floor area (GFA) of Park Island was determined on the basis of the development parameters of the lot where it is located (i.e. MW lot no. 392), and had nothing to do with the MWP lot in which the MWP was located. Relevant terms and conditions of the development, including the GFA, are clearly stated in the land grant documents together with land exchange plans, which are placed in the Land Registry for public inspection.

3. The development of MWP is mainly governed by the Master Layout Plan (MLP). In accordance with the 1997 MLP, the developer would develop the MWP, which included various recreational facilities. Subsequently, the developer revised the MLP to conserve and preserve the original characteristics of MW. The revised MLP was approved by the Town Planning Board (TPB) with conditions, in accordance with the Town Planning Ordinance (Cap. 131), in 2003. The latest amendments to the MLP were approved by the TPB with conditions in 2006, and a

copy is placed in the Land Registry for public inspection. The total area of the site was about 190 000 m².

4. There are three key facilities in Phase I of the MWP, namely Nature Garden, Noah's Ark and Solar Tower. Nature Garden was opened for public use from 1.7.2007. No admission fee is currently required, except for the programme fees for exploration activities. Nature Garden is opened from 9 am to 6 pm on Mondays, Fridays and Saturdays and from 8 am to 6 pm on Tuesdays, Wednesdays, Thursdays and Sundays (closed on the first three days of the Lunar New Year). Noah's Ark is expected to be completed towards the end of 2008 and the completion of Solar Tower will be depend on the progress of the gazettal of the revised road scheme under the Road (Works, Use and Compensation) Ordinance. The Government is processing the gazettal documents submitted by the developer and Solar Tower is expected to be completed within two years following the authorization of the revised road scheme.

5. Regarding the timing for the MWP, it has been stated in an agreement in 1997 that Phase I of the MWP is required to be completed within 5 years i.e. by June 2006, after the developer has taken possession of the site from the Government. The agreement has also provided that the developer may be required to pay the unexpended balance of the development cost together with the interest, should the developer fail to complete the project within the specified timeframe or by the extended deadlines as agreed.

6. In developing the MWP, the developer faced the situation whereby the Disney Theme Park would be built in Hong Kong. He therefore revised the theme for the MWP from active recreational facilities to a park with a theme based on "Naturally Hong Kong". Hence, an extension of the completion date of the MWP was required. The Government accepted in principle to extend the completion date to 31.12.2008 but reserved its right to recover the unexpended balance of the development cost together with the interest.

7. After taking into account and adjusting the time factor, \$803 million for the provision of MWP was deducted from the premium

payable for Park Island. The developer is required to set up a sinking fund and any surplus after deducting reasonable operating costs should go into the fund mainly for the maintenance, repair and improvement of the MWP. The Government is now negotiating with the developer about the details of the management of the MWP.

8. According to the land exchange agreement for Park Island, the developer was required to open a section of the vehicular and pedestrian access connecting Pak Lai Road and Pak Yan Road for public use after the issue of the certificate of compliance. (Note: the access is now located below the platform of Park Island development and near the Ma Wan administration block at Tsing Ma Control Area.) Since Phase VI of Park Island is still in progress, the certificate of compliance for Park Island lot has not been issued yet. Hence, the foreshore along Tung Wan and Tung Wan Tsai is temporarily managed by the developer and is opened by the developer for public access. The developer is required to handover the foreshore to the Government no later than the date of issue of the certificate of compliance. Other than the foreshore, there is no public open space in this development provided and managed by the developer. The lease conditions of the Park Island lot are available for public inspection at the Land Registry and the developer has stated in detail in the sales brochure the public facilities required to be provided.

9. A list of private developments, which have been completed since 1997 and where certificates of compliance have been issued, with public facilities or public open space required under the lease to be opened for public use is available on the website of the Lands Department. A list of all approved and executed cases of land exchange, lease modification and private treaty grant including details of the sites, uses and costs involved has also been uploaded to the website of the Lands Department since 2005 and is updated on a monthly basis.

