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MEMO

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4/2/09

From Assistant Legal Adviser
 Ref. in HD(LAD) 68/8/1
 Tel. No. 2761 7115
 Fax No. 2711 3690
 Date 25 August, 2003

To PSH
 (Attn: [Handwritten Name])
 Your Ref. In
 Dated Fax No.
 Total Pages

HCA No. 2761 of 2003
 First Star Development Limited v The Hong Kong Housing Authority
 and the Secretary for Justice

PSPS - Hunghom Peninsula

I refer to the attached memo dated 18 August, 2003 from the Department of Justice.

2. The subject proceedings relate to a PSPS project. The Plaintiff, First Star Development Limited, is the developer of the project and a subsidiary of the New World group. Pursuant to the moratorium on the sale of HOS/PSPS flats issued in September 2001 and SHPL's Statement on Housing Policy delivered in November, 2002, no nomination of purchaser has been made for the above PSPS project for the purchase of flats from the developer.

3. The PSPS developer is claiming the HA and the Government for failing to make nomination in accordance with the PSPS requirements. The HA has instructed a solicitors firm, Messrs. Johnson Stokes & Master, to handle the proceedings and the Department of Justice is acting on behalf of the Secretary for Justice. The HA and the Government are now preparing for the defence and we shall co-ordinate with the Department of Justice on the approach to adopt and how to defend the claim.

4. As far as the Government's claim is concerned, the Lands Department's role under the PSPS land grant and issues on Government's housing policy will be relevant. Referring to the attached memo, we have contacted Mr. Simon Lee of the Department of Justice. We understand in defending the claim, the Department of Justice would need to take instructions from Government on the relevant housing policy. The advice from PSH is now sought to nominate an officer to give instructions on behalf of Government in relation to the housing policy.

5. For your consideration please.

[Handwritten Signature]
 (Ms Handa Lam)
 Assistant Legal Adviser

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 AD
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