

HCA 2761/03
PC/LC/37000/03
2867 2045

2 September, 2003

Messrs. Cheung, Chan & Chung
Unit 5505, 55th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

**BY FAX (2845 3467)
AND BY POST**

Att: Mr. Leo Cheng

Dear Sirs,

HCA 2761/2003
First Star Development Limited v The Hong Kong Housing Authority
and The Secretary For Justice

We refer to your letters of 27th August and 1st September.

We agree that the Court's indulgence should not be regarded as a must nor will it be obtained by the applicant as of right. In our letter of 26th August, we were not suggesting otherwise. We were merely pointing out that it is the usual practice of the Court to grant a first extension to file a defence, so it makes a lot of sense to take a practical approach and come to an agreement in correspondence so as to avoid the time and costs that would otherwise be expended unnecessarily on a time summons.

Such notwithstanding, your client, by your 27th August 2003 letter, refused outright our request for a 21 day time extension.

Subsequently, in your 1st September 2003 letter, your client has in effect offered a 21 time extension conditional on it being a final extension. We will take instructions on your client's offer, but at this stage we can say it is unlikely our client will accept it, for the following reasons:

- (1) Since our letter of 26th August 2003, we have received the papers from our client. With the benefit of having seen the papers, we are now of the opinion that a considerably longer extension than 21 days will be required; and
- (2) A final extension at this early stage would be most unusual.

We shall revert to you when we have instructions from our client on your 1st September letter.

Yours faithfully,

(Gregory Payne)
Senior Government Counsel

Cc: Messrs Johnson Stokes & Master
(Att: Mr. David Boyle/Mr. Menachem Hasofer)
By fax: 2103 5059