

地政總署
法律諮詢及田土轉易處
LEGAL ADVISORY AND CONVEYANCING OFFICE
LANDS DEPARTMENT

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本署檔號 Our Ref: LACO 11/316/2002 SF4 Pt 3
來函檔號 Your Ref: PC/LC/37000/03

6 March 2004

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

By Post & By Fax (2845 3467)

Dear Sirs,

**Lease Modification -
Kowloon Inland Lot No. 11076**

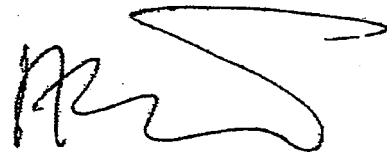
Thank you for your letter dated 27 February 2004. Annex A to the Paper was amended to incorporate your client's requested amendment.

The Panel now stands adjourned until Monday, 8 March 2004. It is anticipated that further questions will be raised as to your client's basis for offering \$864,000,000 and the make up of the \$1,310,000 being an estimate of Government as to the premium. A summary table disclosing information on those amounts is attached.

I would be grateful if you would obtain your client's consent to the disclosure of the table, this request, the consent and disclosure to be subject to the conditions set out in my letter to you dated 21 February 2004. The providing of your client's consent as soon as possible bearing in mind the Panel meeting on Monday would be greatly appreciated.

If you would like to discuss please contact the undersigned or, in his absence, John Corrigan (tel. no. 2231 3088).

Yours faithfully,



(A.L. Robertson)
Assistant Director/Legal
for Director of Lands

**Lease Modification of Hunghom Peninsula:
Comparison between the two estimates of premium -
by the Government and the Developer**

	Government	Developer
Sale proceeds		
2,470 Private Flats	\$4,693M [\$3,021/sq.ft.(gross)]	\$4,349M [\$2,800/sq.ft.(gross)]
Less		
Guaranteed Price for payable to developer the PSPS Flats	\$1,914M [\$1,232/sq.ft.(gross)]	\$1,914M [\$1,232/sq.ft.(gross)]
Allowance for Bulk "Purchase" of all 2,470 Flats in one go by a single developer	\$704M	\$719M
Cost of Upgrading Flats for Private Sale	\$363M	\$387M
Loss of Carparking Spaces for Conversion to Clubhouse	\$24M	\$36M
Interest incurred/foregone	\$261M	\$279M
Marketing Cost	\$123M	\$150M
Plus		

Saving of PSPS Costs *	\$6M	-
Premium	\$1,310M [\$843/sq.ft (gross)]	\$864M [\$556/sq.ft (gross)]

* Savings due to removal of need for bank guarantees, emergency repairs fund, etc. exclusive to PSPS developments