

香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

房屋及規劃地政局
香港花園道美利大廈



Housing, Planning and Lands
Bureau

Murray Building, Garden Road,
Hong Kong

本局檔號 Our Ref. HD/PS 9/2/1/152

來函檔號 Your Ref.

電話 Tel No. 2761 5086

圖文傳真 Fax No. 2761 7445

10 December 2004

Clerk to LegCo Panel on Housing
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong
(Attn: Miss Odelia Leung)

Dear Miss Leung,

Legislative Council Panel on Housing

Meeting on 6 December 2004

Lease Modification for Hunghom Peninsula

At Panel meeting on 6 December, during discussion on the disposal of Hunghom Peninsula, a Member asked about timing of the contractual agreement with the developer on the lease modification and whether the Government was aware of the developer's intention to redevelop the Lot at the time.

Subsequent to the conclusion of the mediation in late December 2003, the Director of Lands wrote to the developer's solicitor on 17 January 2004 offering a lease modification. The developer replied on 20 January suggesting a revised schedule for execution of the modification. As this revised schedule was acceptable to the Government, a revised offer by the Director of Lands was issued on 21 January 2004. On 26 January 2004 the developer accepted the revised offer and paid \$86.4M (10% of the total premium payable) as deposit. At this point, the Government and the developer had entered into a binding contract to modify the Conditions of Sale for the Lot upon the terms and conditions set out in the offer dated 21 January 2004.

As at 26 January 2004, the Government was not aware of any intention on the part of the developer to redevelop the site. The developer wrote on 31 January 2004 requesting further modifications. His proposal was firmly rejected on 12 February 2004.

By his letters dated 31 January 2004 and 11 February 2004 the developer's solicitor did not disclose the reason for seeking additional modifications. However, the Government considered that the additional modifications requested (and refused) were unnecessary for a modification to allow the developer to sell the residential units into the private market. The Government took the view that the additional modifications would facilitate redevelopment other than as a replica of the development already erected on the Lot.

The letters dated 31 January 2004 and 11 February 2004 were the first indications that the developer might be contemplating redevelopment of the Lot.

To facilitate Members' better appreciation of the Government's original objective to allow the developer to sell the surplus Private Sector Participation Scheme flats in Hunghom Peninsula in the open market through the lease modification and with the consent of the developer, I enclose a copy of exchange of correspondence between the Lands Department and the developer's solicitor during and subsequent to the lease modification.

This addresses Item (1) of the information requested by Members through your letter of 8 December. We will continue to provide the requisite information on Hunghom Peninsula having regard to the Code on Access to Information as soon as possible.

Yours sincerely,

(Miss Joey LAM)
for Secretary for Housing, Planning and Lands

**Exchange of Correspondence between the Government and
Solicitor on Lease Modification**

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