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**Response to letter from Clerk to Panel on Housing  
dated 2 March 2004**

With regard to the allegation made in the anonymous letter to the Chairman of Panel on Housing, we wish to clarify that the Housing, Planning and Lands Bureau has not received any letter from any Hong Kong real estate developer proposing the sale of the Hung Hom Peninsula Private Sector Participation Scheme flats in the open market through auction.

2. On the issue about disposal of flats in Hung Hom Peninsula by open tender/auction, we wish to clarify that the Housing Authority and the Administration had sought Counsel opinion concerning the disposal options. As stated in the paper submitted for discussion at the Joint Panel meeting on 1 March 2004, the Government has thoroughly examined the feasibility of a whole range of options to dispose of the PSPS flats concerned including the option of purchasing the flats for sale through open tender. After taking into account various policy and legal considerations, we have ruled out this option.