



立法會
LEGISLATIVE COUNCIL

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By fax: 2509 9192

CB(1)2482/09-10(02)

5 July 2010

Chief Executive
(Attn.: Mr Andy CHING)
Hong Kong Monetary Authority
55th Floor, Two International Finance Centre
8 Finance Street
Central
Hong Kong

Dear Mr CHING,

Panel on Financial Affairs

Transactions of flats at 39 Conduit Road and disclosure of information by the listed property developer

At the meeting of the Panel on Financial Affairs held today, Members considered the request of Hon James TO (copy of his letter **attached**) that the Panel should hold a meeting to discuss issues relating to the captioned subject with the attendance of the Administration and other concerned parties. During the deliberation, Members noted with concern that in page 2 of its letter to the Lands Department dated 10 May 2010 (copy **attached**), the company concerned stated that:

"According to the information which we have obtained from some bankers, the Hong Kong Monetary Authority did not seem to have made any distinction in respect of the provisional sale and purchase agreements entered into before or after 23 October 2009 when it directed a tightening of the lending policy to the banks in respect of the Development. On the contrary, we were advised by banks that even a loan enquiry on the Development received by a bank needs to be immediately reported to the HKMA. Many banks referred to the granting of mortgages on the Development as a "sensitive" issue, rather than a pure commercial decision."

As decided by the Panel, I write to seek your advice on -


- (a) whether HKMA has given directions to banks as described in the company's letter;

- (b) if yes, the rationale for such directions; and
- (c) whether and how such directions are consistent with the announced policies and established practices of HKMA in supervision of banks.

Please provide the Panel with the requested information **on or before Monday, 19 July 2010** (in both English and Chinese and with softcopy to yhcheung@legco.gov.hk). In line with our usual practice, the written information provided by the Administration will be made available to the media and the public, placed in the Library of the Legislative Council and made available on the website of the Council on the Internet, unless you advise otherwise.

With best regards,

Yours sincerely,



(Ms Anita SIT)
Clerk to Panel

Encl.

c.c. Hon CHAN Kam-lam, SBS, JP (Chairman) — w/o encl.
Miss Terie TAM, Chief Executive Officer (Financial Services)
(Fax: 2528 3345)