

**Letters to Kowloon-Canton Railway Corporation  
issued by the Lands Department**

1. Letter of 30 November 2010
2. Letter of 8 December 2010
3. Letter of 17 December 2010
4. Letter of 12 January 2011
5. Letter of 26 January 2011
6. Letter of 17 February 2011
7. Letter of 18 March 2011
8. Letter of 21 April 2011
9. First Letter of 29 April 2011
10. Second Letter of 29 April 2011
11. Letter of 4 May 2011

電話 Tel: 2231 3535  
圖文傳真 Fax: 2119 0754  
本署檔號 Our Ref: LACO/RD 4/580/1010 Pt. 2  
來函檔號 Your Ref:

我們矢志努力不懈，提供盡善盡美的土地行政服務  
We strive to achieve excellence in land administration.  
網址 Web Site: [www.landsd.gov.hk](http://www.landsd.gov.hk)  
法律諮詢及田土轉易處港口機場鐵路發展組

(PORT, AIRPORT, RAILWAY DEVELOPMENT SECTION)

香港北角渣華道333號北角政府合署18樓  
18/F, North Point Government Offices  
333 Java Road, North Point, Hong Kong  
網址 Website: <http://www.info.gov.hk/landsd>

Kowloon-Canton Railway Corporation  
c/o MTR Corporation Limited  
MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Attn.: Mr James HOR

By Fax Only (2993 7742) & By Post

30 November 2010

Dear Sirs,

### Festival City

I refer to the recent statement of Mr. Kwok Tse-wai of Cheung Kong Property Development Limited which he made on 19 November 2010 in his blog and which has been widely reported in the media concerning the application of Government's new measure of charging of special stamp duty ("the SSD") on property transactions ("the Statement") to sales of your captioned development.

Please let me have your comments on whether, in the light of the information available to you, the Statement made by Mr. Kwok was in your view appropriate and, in particular, whether it was appropriate for such a statement to have been made by Mr. Kwok in the tone that it was made in regard to your development so shortly after the Government's announcement of the proposed introduction of the SSD.

Further, we are interested to know whether any purchasers have been affected by the Statement; and whether there were sales of units of the development which took place between the publication of the Statement and just before mid-night of 19 November 2010 and if so, the number of such sales.

This message and any attachment is intended for the use of the addressee only. It may contain information which is confidential and/or legally privileged. You are hereby notified that no unauthorised disclosure or use of this message is permitted. If you have received this message by mistake, please notify us immediately and delete or destroy this message, as appropriate. Any liability arising from the use of this information is excluded.

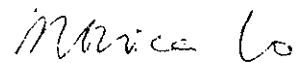
本信息及任何附件只供收件人使用，而其中可能載有機密及／或屬法律特權的資料。敬請注意，未經許可，不得擅自披露或使用本信息。倘本信息誤傳給你，請立即通知本署，並刪除或銷毀本信息。本署絕不承擔因使用本信息而引致的任何法律責任。

準時繳納地稅 - 以免業權受損  
Don't put your property at risk - make sure the Government rent is paid!

Please provide us with your reply in writing by noon 6 December 2010.

All the Government rights in this matter, including those under my consent letter dated 20 October 2010 are reserved.

Yours faithfully,

A handwritten signature in cursive script that reads "Monica LO".

(Ms. Monica LO)  
Senior Solicitor  
for Director of Lands

ML/sy

*Please quote this reference in your reply.*

Please quote our reference in your reply



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

電話 Tel: 2231 3535  
圖文傳真 Fax: 2119 0754  
電郵地址 Email: monicalo\_laco@landsd.gov.hk  
本署檔號 Our Ref.: LACO/RD 4/580/2010 Pl. 2  
來函檔號 Your Ref.: S&L/MC/104/10/TWMC-PS

我們矢志努力不懈，提供盡善盡美的土地行政服務。  
We strive to achieve excellence in land administration.  
香港北角渣華道三三三號北角政府合署十八樓  
18/F, NORTH POINT GOVERNMENT OFFICES  
333 JAVA ROAD, NORTH POINT, HONG KONG

網址 Website: [www.landsd.gov.hk](http://www.landsd.gov.hk)

8 December 2010

Kowloon-Canton Railway Corporation  
c/o MTR Corporation Limited  
MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Attn.: Ms May Chang

By Fax (2993 7736) & By Post

Dear Sirs,

**Sha Tin Town Lot No. 529 ("the Lot")**  
**Festival City Phase 2 ("the Development")**

I refer to your letter dated 6 December 2010 in reply to my letter dated 30 November 2010.

As the grantee of the Lot where the Development is located, to whom my presale consent was given on 20 October 2010, I think you have the responsibility for the Development including matters relating to sale of the units thereof. I therefore have difficulty with your response that you did not consider it appropriate to comment on the statement made by Mr Kwok Tse-wai on 19 November 2010, shortly after the Government's announcement on the new anti-speculation measures on property transactions ("the Statement"). In this connection, I note that Mr Kwok is a senior executive of Cheung Kong Property Development Limited which as we are given to understand from a separate letter from you, is your sales agent in respect of the Development.

You said in your letter dated 6 December 2010 that you had no knowledge of the Statement and the date and time when it was first published, despite that the Statement was widely reported to have been made some time late in the afternoon of 19 November 2010. Even if you had no knowledge of the Statement including the date and time when it was first published as you said in your response, I assume that you, being the grantee of the Lot, should be in a position to check with your sales agent and then respond to the matters raised in the second paragraph of my letter dated 30 November 2010.

*This message and any attachment is intended for the use of the addressee only. It may contain information which is confidential and/or legally privileged. You are hereby notified that no unauthorised disclosure or use of this message is permitted. If you have received this message by mistake, please notify us immediately and delete or destroy this message, as appropriate. Any liability arising from the use of this information is excluded.*

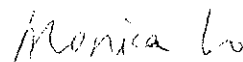
準時繳納地稅 - 以免業權受損  
Don't put your property at risk - make sure the Government rent is paid!

In my letter to you dated 30 November 2010, I asked for details of sales which took place between the time of publication of the Statement and just before mid-night of 19 November 2010 ("the Period"). You only advised in your letter dated 6 December 2010 that 157 units in the Development were sold for the whole day of 19 November 2010. You are requested to check with your sales agent and let me know the exact number of sales which took place during the Period; the number of those sales which have been cancelled (if any); and on what terms and conditions those sales were cancelled (if any).

Please let me have your reply in writing by noon 14 December 2010.

All Government's rights in this matter, including those under my consent letter dated 20 October 2010 are reserved.

Yours faithfully,



(Ms. Monica LO)  
Senior Solicitor  
for Director of Lands

ML/sy

Please quote our reference in your reply



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

電話 Tet: 2231 3535  
圖文傳真 Fax: 2119 0754  
電郵地址 Email: monicalo\_laco@landsd.gov.hk  
本署檔號 Our Ref.: LACO/RD 4/580/2010 Pt. 2  
來函檔號 Your Ref.: S&L/MC/106/10/TWMC-PS

我們矢志努力不懈，提供盡善盡美的土地行政服務。  
We strive to achieve excellence in land administration.  
香港北角渣華道三三三號北角政府合署十八樓  
18/F, NORTH POINT GOVERNMENT OFFICES  
333 JAVA ROAD, NORTH POINT, HONG KONG

網址 Website: [www.landsd.gov.hk](http://www.landsd.gov.hk)

17 December 2010

Kowloon-Canton Railway Corporation  
c/o MTR Corporation Limited  
MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Attn.: Ms May Chang

By Fax (2993 7736) & By Post

Dear Sirs,

**Sha Tin Town Lot No. 529 ("the Lot")**  
**Festival City Phase 2 ("the Development")**

I refer to your letter dated 13 December 2010 which was received by me on 14 December 2010.

You have conveyed the confirmation by the Cheung Kong Property Development Limited (CKPD) that the "Statement" was "only a personal statement of Mr Kwok made in his private and personal blog expressing his personal understanding of the announcement of the Government's new anti-property speculation measures". We note that Mr Kwok is a senior executive of CKPD which acts as your sales agent in respect of the Development and that Mr Kwok is reported to have been closely related to the sale of the units thereof. As the grantee of the Lot to whom my presale consent was given on 20 October 2010, you have the full responsibility for the Development including all matters relating to the sale of the units thereof. Please let me have your comments (as requested in my letters of 30 November 2010 and 8 December 2010) as to whether in your view the making of the Statement is appropriate, and in particular whether it was appropriate for such a statement to have been made by Mr Kwok in the tone that it was made in regard to the Development at that particular time.

I note it was claimed that Mr. Kwok could not recall the exact time when he made the Statement, but I take it that you should not have great difficulty in finding out from him or other sources the rough time when the Statement was made, and on that basis let me know the number of sales which took place from around the time of the making of the Statement to the

This message and any attachment is intended for the use of the addressee only. It may contain information which is confidential and/or legally privileged. You are hereby notified that no unauthorised disclosure or use of this message is permitted. If you have received this message by mistake, please notify us immediately and delete or destroy this message, as appropriate. Any liability arising from the use of this information is excluded.

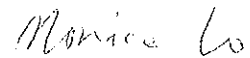
準時繳納地稅 - 以免業權受損  
Don't put your property at risk - make sure the Government rent is paid!

time just before mid-night of 19 November 2010; the number of those sales which have been cancelled (if any); and on what terms and conditions those sales (if any) were cancelled.

Please let me have your reply in writing by noon 23 December 2010.

All Government's rights in this matter, including those under my consent letter dated 20 October 2010, are reserved.

Yours faithfully,

A handwritten signature in cursive script that reads "Monica LO".

(Ms. Monica LO)  
Senior Solicitor  
for Director of Lands

MI /lyy

Please quote our reference in your reply



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

電話 Tel: 2231 3535  
圖文傳真 Fax: 2119 0754  
電郵地址 Email: monicalo\_laco@landsd.gov.hk  
本署檔號 Our Ref.: LACO/RD 4/580/2010 Pt. 3  
來函檔號 Your Ref.: S&L/MC/2/11/TWMC-P2-PS

我們矢志努力不懈，提供盡善盡美的土地行政服務。  
We strive to achieve excellence in land administration.  
香港北角濱華道三三三號北角政府合署十八樓  
18/F, NORTH POINT GOVERNMENT OFFICES  
333 JAVA ROAD, NORTH POINT, HONG KONG  
網址 Website: [www.landsd.gov.hk](http://www.landsd.gov.hk)

12 January 2011

Kowloon-Canton Railway Corporation  
c/o MTR Corporation Limited  
MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Attn: Ms Linda Li

By Fax (2993 7736) & By Post

Dear Sirs,

**Sha Tin Town Lot No. 529 ("the Lot")**  
**Festival City Phase 2 ("the Development")**

I refer to your letter dated 4 January 2011 in reply to mine dated 17 December 2010.

In your second paragraph of 4 January 2011 letter, you said you "would opine that comments relating to newly announced Government policies, which effect may not be clear at the material time, should not be made until after clarification from the Government has been sought". You also added that you had already advised your sales agent "to be cautious when making any statement and where it is necessary or appropriate, to clarify the policy intent with the Government on any newly announced Government policies which may impact on the Development before making any comments thereon". Your comments appear to indicate that the Statement made by Mr Kwok is "inappropriate" and should not have been made until after he had sought clarification with the Government as to the effect thereof. Please confirm.

Grateful if you would also comment whether it was appropriate for the Statement (as referred to our earlier exchange of letters) to have been made by Mr Kwok in the tone that it was made in regard to the Development at that particular time, given that Mr Kwok is a senior executive of the Cheung Kong Property Development Limited (CKPD) which acts as your sales agent in respect of the Development and that Mr Kwok is reported to have been closely related to the sale of the units thereof, despite CKPD's reply to you which stated that "Mr Kwok has declared that it was in his own rest time whilst surfing the internet that he

*This message and any attachment is intended for the use of the addressee only. It may contain information which is confidential and/or legally privileged. You are hereby notified that no unauthorized disclosure or use of this message is permitted. If you have received this message by mistake, please notify us immediately and delete or destroy this message, as appropriate. Any liability arising from the use of this information is excluded.*

準時繳納地稅 - 以免業權受損  
Don't put your property at risk - make sure the Government rent is paid!



made this private statement in his personal blog expressing his understanding of the remarks made by Mr John Tsang at the press conference held on 19 November 2010". Please advise how you would ensure Mr Kwok and/or other employees/representatives/agents of CKPD would not make any such private statement on the Development in their personal blogs which may in your view consider to be inappropriate given your responsibility for the Development in the capacity of the grantee of the Lot and to whom my consent for presale of the uncompleted units thereof was granted.

I note your statement that a total of 157 sales were committed on 19 November 2010 but you could not produce any record showing exactly the number of sales which took place from around the time of the making of the Statement to the time just before the midnight of 19 November 2010. That being the case, please advise whether you would agree that it could be assumed that all the purchasers of the 157 sales committed on that day had been affected by the Statement.

Please let me have your reply in writing by noon 18 January 2011.

All Government's rights in this matter, including those under my consent letter dated 20 October 2010, are reserved.

Yours faithfully,



(Ms. Monica LO)  
Senior Solicitor  
for Director of Lands

ML/lyy

*Please quote our reference in your reply*



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

電話 Tel: 2231 3535  
圖文傳真 Fax: 2119 0754  
電郵地址 Email: monicalo\_laco@landsd.gov.hk  
本署檔號 Our Ref.: LACO/RD 4/580/2010 Pt. 3  
來函檔號 Your Ref.: S&L/MC/07/11/TWMC-pt2-PS

我們矢志努力不懈，提供盡善盡美的土地行政服務。  
We strive to achieve excellence in land administration.  
香港北角渣華道三三三號北角政府合署十八樓  
18/F, NORTH POINT GOVERNMENT OFFICES  
333 JAVA ROAD, NORTH POINT, HONG KONG

網址 Website: [www.landsd.gov.hk](http://www.landsd.gov.hk)

26 January 2011

Kowloon-Canton Railway Corporation  
c/o MTR Corporation Limited  
MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Attn.: Ms Linda Li

**By Fax (2993 7736) & By Post**

Dear Sirs,

**Sha Tin Town Lot No. 529 (“the Lot”)  
Festival City Phase 2 (“the Development”)**

I refer to your letter dated 21 January 2011 in reply to mine dated 12 January 2011.

Since my first letter to you dated 30 November 2010, I have repeatedly asked: -

- (i) whether in your view the making of the Statement (as referred to in our earlier letters) is appropriate; and
- (ii) in particular whether it was appropriate for such a statement to have been made by Mr. Kwok in the tone that it was made in regard to the Development at that particular time.

Despite my repeated requests, you did not consider “the “appropriateness” or the “tone” of Mr. Kwok’s Statement” as stated in the second paragraph of your letter dated 21 January 2011. Please consider it and let me have your response to my request.

*This message and any attachment is intended for the use of the addressee only. It may contain information which is confidential and/or legally privileged. You are hereby notified that no unauthorised disclosure or use of this message is permitted. If you have received this message by mistake, please notify us immediately and delete or destroy this message, as appropriate. Any liability arising from the use of this information is excluded.*

準時繳納地稅 - 以免業權受損  
Don't put your property at risk - make sure the Government rent is paid!

While it may not be certain at this juncture whether all or any of the 157 purchasers had been affected by the Statement, the possibility that they had been affected could not be ruled out. If any of the 157 purchasers were to claim that they had been affected by the Statement, please advise whether you would give them the option to rescind the Agreements for Sale and Purchase ("ASPs") and to recover all monies which have been paid with interest. I would also like to have information as to (i) whether all of the 157 purchasers who signed their Preliminary Agreements for Sale and Purchase ("PASPs") on 19 November 2010 proceeded to execute their respective ASPs; (ii) if not, how many of the 157 purchasers did not proceed to execute their respective ASPs and if they gave any reasons for not doing so; and (iii) whether any of the 157 purchasers who have executed their respective ASPs have requested to rescind their respective ASPs.

In the third paragraph of your letter dated 21 January 2011, you repeated that you had advised your sales agent, CKPD, to be cautious when making any statement. To allay our concern that similar statement will not be made in the future, I should be grateful if you would let us have copy of your relevant correspondence with CKPD for our reference.

Please let me have your reply in writing by noon 1 February 2011.

All Government's rights in this matter, including those under my consent letter dated 20 October 2010, are reserved.

Yours faithfully,



(Ms. Monica LO)  
Senior Solicitor  
for Director of Lands

ML/lyy

Please quote our reference in your reply



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

電話 Tel: 2231 3535  
圖文傳真 Fax: 2119 0754  
電郵地址 Email: monicalo\_laco@landsd.gov.hk  
本署檔號 Our Ref.: LACO/RD 4/580/2010 Pt. 3  
來函檔號 Your Ref.: S&L/MC/12/11/TWMC-pt2-PS

我們矢志努力不懈，提供盡善盡美的土地行政服務。  
We strive to achieve excellence in land administration.  
香港北角渣華道三三三號北角政府合署十八樓  
18/F, NORTH POINT GOVERNMENT OFFICES  
333 JAVA ROAD, NORTH POINT, HONG KONG

網址 Website: [www.landsd.gov.hk](http://www.landsd.gov.hk)

17 February 2011

Kowloon-Canton Railway Corporation  
c/o MTR Corporation Limited  
MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Attn.: Ms Linda Li

By Fax (2993 7736) & By Post

Dear Sirs,

**Sha Tin Town Lot No. 529 ("the Lot")**  
**Festival City Phase 2 ("the Development")**

I refer to your letter dated 11 February 2011 in reply to mine dated 26 January 2011.

I think you will not disagree with my comment that you have the full responsibility for the Development including all matters relating to the sale of the units thereof as you are the grantee of the Lot to whom my presale consent was given on 20 October 2010. I am therefore surprised as to why you have "no view" on the appropriateness or tone of the Mr Kwok's Statement given that he is a senior executive of the Cheung Kong Property Development Limited (CKPD) which acts as your sale agent in respect of the Development.

According to the media report, Mr Kwok's Statement was made between 6:00 pm and 7:00 pm on 19 November 2010, shortly after the Government's announcement on measures to curb speculation in residential properties, as follows:

“今日買盛蒼絕對不受新的政府措施影響！12:00前來了，快快快。想發達就要快！炒的世界歡迎你。”

You are requested once again to let me have your comments on Mr Kwok's Statement, in particular whether you as the grantee of the Lot consider it appropriate for such a Statement to have been made by Mr Kwok in such context and tone urging the prospective purchasers to rush to buy the units in the Development within a few hours before the mid-night of 19 November 2010.

This message and any attachment is intended for the use of the addressee only. It may contain information which is confidential and or legally privileged. You are hereby notified that no unauthorised disclosure or use of this message is permitted. If you have received this message by mistake, please notify us immediately and delete or destroy this message, as appropriate. Any liability arising from the use of this information is excluded.

準時繳納地稅 - 以免業權受損  
Don't put your property at risk - make sure the Government rent is paid!

Attached to your said letter of 11 February 2011 was a letter dated 31 January 2011 from Mr James Hor, your Head of Property Development to Mr Justin Chiu of East City Investments Limited (which apparently is an associated company of CKPD) referring to a meeting between your Mr Steven Li and Mr Kwok of CKPD on 23 December 2010. You stated in the last paragraph of your said letter of 11 February 2011 that your letter dated 31 January 2011 to your sales agent was attached for our reference "as requested". I assume that the letter dated 31 January 2011 was given to us in response to our request in our letter dated 26 January 2011 to you to let us have copy of your relevant correspondence with CKPD for our reference.

In order to avoid any doubt, please clarify and confirm if your letter dated 31 January 2011 to East City Investment Limited constitutes all the relevant correspondence between you and CKPD on the subject matter referred to in our request. I should be grateful if you would let us have copy of your relevant correspondence with CKPD other than the letter dated 31 January 2011, if any, noting that the letter dated 31 January 2011 was issued a substantial time after the meeting between Mr Kwok and Mr Li on 23 December 2010 and a number of days after our letter dated 26 January 2011 to you.

Also, we note that, according to the said 31 January 2011 letter, your Mr Li at the said 23 December 2010 meeting advised Mr Kwok, being the sales agent of the Development, to be "cautious when making any statement on newly announced Government policies, and where it was necessary or appropriate, to clarify the policy intent with the Government on any newly announced Government policies which might impact on the Development before making any comments thereon." Please advise if there is a formal record of the meeting; and if so, provide us with the relevant extracts from the record setting out clearly what was discussed between Mr Kwok and Mr Li on the subject. Also please let me have the following clarifications: -

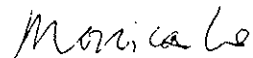
- (i) It is not clear to me how you can ensure that your sales agent will be "cautious" in making statement on the Development. Have you issued any specific guidelines to them? If affirmative, please let me have a copy of such guidelines for perusal.
- (ii) You have advised your sales agent "where it was necessary or appropriate, to clarify the policy intent with the Government on any newly announced Government policies which may impact on the Development". Does that mean CKPD (instead of you) should seek clarification with the Government where they (instead of you) consider it necessary or appropriate?
- (iii) Have you required or would you require your sales agent to show you or clear with you in advance all their statements made on the Development before they are issued given that CKPD, being your sales agent, is undoubtedly responsible to you for all their promotional and sale activities in relation to the Development at all times?
- (iv) Would your advice/guidelines/clearance as referred to in (i), (ii) and (iii) above apply to all statements made by the staff of your sales agent including those which were made in so called "their private and personal blogs" which can reach out to prospective purchasers?

According to the media report, selection of the units in the Development commenced after 7:00 pm on 19 November 2010. I would presume that the Preliminary Agreements for Sale and Purchase (PASPs) of all 157 units sold on that day were signed after the Statement was made by Mr Kwok but please let me know if you have contrary views. You have advised that all 157 purchasers have proceeded to execute the Agreements for Sale and Purchase ("ASPs) and none of them have requested to rescind their respective ASPs. Please let me know whether any of the 157 purchasers have made any enquires in relation to the Statement or whether any of them have ever requested to rescind their PASPs though they eventually executed their ASPs; and if so, please let me know of the details.

Please let me have your reply in writing by noon 23 February 2011.

All Government's rights in this matter, including those under my consent letter dated 20 October 2010, are reserved.

Yours faithfully,



(Ms. Monica LO)  
Senior Solicitor  
for Director of Lands

ML/lyy

Please quote our reference in your reply



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

電話 Tel: 2231 3535  
圖文傳真 Fax: 2119 0754  
電郵地址 Email: monicalo\_laco@landsd.gov.hk  
本署檔號 Our Ref.: LACO/RD 4/580/2010 Pt. 3  
來函檔號 Your Ref.: S&L/MC/023/11/TWMC-pt2-PS

我們矢志努力不懈，提供盡善盡美的土地行政服務。  
We strive to achieve excellence in land administration.  
香港北角渣華道三三三號北角政府合署十八樓  
18/F, NORTH POINT GOVERNMENT OFFICES  
333 JAVA ROAD, NORTH POINT, HONG KONG  
網址 Website: [www.landsd.gov.hk](http://www.landsd.gov.hk)

18 March 2011

Kowloon-Canton Railway Corporation  
c/o MTR Corporation Limited  
MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Attn.: Ms Linda Li

By Fax (2993 7736) & By Post

Dear Sirs,

**Sha Tin Town Lot No. 529 ("the Lot")  
Festival City Phase 2 ("the Development")**

I refer to your letter dated 9 March 2011 in reply to mine dated 17 February 2011.

You have maintained that you have no views on the "appropriateness" or the "tone" of Mr William Kwok's Statement. I cannot understand why you, as the grantee of the Lot to whom my presale consent was given, have persisted in refraining from expressing your views on the Statement made by Mr Kwok, a senior executive of Cheung Kong Property Development Limited which acts as your sales agent in relation to the sale of the units in the Development.

I note your confirmation that your letter dated 31 January 2011 to East City Investments Limited (a copy of which was attached to your letter to me of 11 February 2011) constitutes all the relevant correspondences between you and your sales agent on this matter. I also note your clarification that your requirement to your sales agent is that they should observe and perform all the conditions under the pre-sale consent letter issued by me on 20 October 2010 in respect of the Development. In other words, you have not issued any specific guidelines or taken any other action to ensure that your sales agent will be "cautious"

This message and any attachment is intended for the use of the addressee only. It may contain information which is confidential and/or legally privileged. You are hereby notified that no unauthorised disclosure or use of this message is permitted. If you have received this message by mistake, please notify us immediately and delete or destroy this message, as appropriate. Any liability arising from the use of this information is excluded.

準時繳納地稅 - 以免業權受損  
Don't put your property at risk - make sure the Government rent is paid!

in making statements on the Development as you may have advised them to do so. While you may have advised your sales agent "where it was necessary or appropriate, to clarify the policy intent with the Government on any newly announced Government policies which may impact on the Development", you have not clearly instructed whether your sales agent (or you) should seek clarification with the Government where your sales agent (or you) consider it necessary or appropriate. Also, you have not required your sale agent to show you or clear with you in advance all their statements made on the Development before they are issued despite that your sales agent is undoubtedly responsible to you for all their promotional and sale activities in relation to the Development at all times. Furthermore, you have not indicated to your sales agent that your advice to them as referred to above would apply to all statements made by the staff of your sales agent including those which are made in so called "their private and personal blogs" which can reach out to prospective purchasers.

I note that you maintain that neither you nor your sales agent know for certain whether and which of the Preliminary Agreements for Sale and Purchase (PASP) of the 157 units sold on 19 November 2010 were signed before (or after) the Statement was made by Mr Kwok. You have advised that all 157 purchasers have proceeded to execute the Agreements for Sale and Purchase ("ASP) and none of the 157 purchasers have made any enquires in relation to the Statement or have ever requested to rescind their PASPs or the subsequent ASPs.

I should be grateful if you would let me know whether my above has correctly summarized your views on the matter and whether you would wish to make any supplementary views on the matter. Should you wish to correct my summary of your views and/or to make any supplementary views, please provide me with details thereof.

As you may be aware, the Panel on Housing of the Legislative Council (LegCo) discussed the dissemination of misleading information on sale of residential properties in its meeting held on 10 February 2011. During the meeting, the Director of Lands was asked to contact you to obtain your views of disclosing all exchanges of correspondences between you and this Department. The Director of Lands then indicated that the Lands Department would approach you to obtain your views as to whether they could be released. Accordingly, please advise whether you agree that this Department may disclose to LegCo all your correspondences (and all attachments thereto) including your reply to this letter and any subsequent letters to be sent by you to me on the same subject.

Please let me have your reply in writing by noon 24 March 2011.



All Government's rights in this matter, including those under my consent letter dated 20 October 2010, are reserved.

Yours faithfully,

A handwritten signature in black ink that reads "Monica LO". The signature is written in a cursive style with a large, looped "L" at the end.

(Ms. Monica LO)  
Senior Solicitor  
for Director of Lands

MC/sy

Please quote our reference in your reply



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

電話 Tel: 2231 3535  
圖文傳真 Fax: 2119 0754  
電郵地址 Email: monicalo\_laco@landsd.gov.hk  
本署檔號 Our Ref.: LACO/RD 4/580/2010 Pt. 3  
來函檔號 Your Ref.: S&L/MC/42/11/TWMC-pt2-PS

我們矢志努力不懈，提供盡善盡美的土地行政服務。  
We strive to achieve excellence in land administration.  
香港北角渣華道三三三號北角政府合署十八樓  
18/F., NORTH POINT GOVERNMENT OFFICES  
333 JAVA ROAD, NORTH POINT, HONG KONG

網址 Website: [www.landsd.gov.hk](http://www.landsd.gov.hk)

21 April 2011

Kowloon-Canton Railway Corporation  
c/o MTR Corporation Limited  
MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Attn.: Ms Linda Li

By Fax (2993 7736) & By Post

Dear Sirs,

**Sha Tin Town Lot No. 529 ("the Lot")  
Festival City Phase 2 ("the Development")**

I refer to your letter dated 14 April 2011 in reply to mine dated 18 March 2011.

I note that you did not agree with my summaries of your views on the matter as set out in my letter dated 18 March 2011 which were largely based on the information given by you in our exchange of correspondence. However, you did not suggest any corrections to the summaries.

The Lands Department, in pursuing enquiries with you on the matter, is acting in the capacity of the grantor of the Lot and is exercising the landlord's rights based upon the land grant conditions. You as the grantee of the Lot have full responsibility over the Development including the sale of the units therein and the behaviour of your sales agent.

This message and any attachment is intended for the use of the addressee only. It may contain information which is confidential and/or legally privileged. You are hereby notified that no unauthorised disclosure or use of this message is permitted. If you have received this message by mistake, please notify us immediately and delete or destroy this message, as appropriate. Any liability arising from the use of this information is excluded.

準時繳納地稅 - 以免業權受損  
Don't put your property at risk - make sure the Government rent is paid!

I have repeatedly asked you to express your views on the appropriateness of the Statement made by Mr William Kwok, a senior executive of Cheung Kong Property Development Limited ("CKPD"), your sales agent of units in the Development, and how you, in the light of this incident and the public reactions, would ensure that CKPD and its senior executives would not make inappropriate statements which may not reflect your wishes and instructions, bearing in mind that you are their principal. However, you maintain that you have no views on the "appropriateness" or the "tone" of Mr Kwok's Statement. I do not understand why you have adopted such a stance.

My views on the matter are: -

- (a) It is not appropriate for the Statement made by Mr Kwok in such tone and in such context given he is a senior executive of CKPD and has all along been publicly seen to be closely involved in the sales of the units in the Development. The Statement was plainly intended to and could cause people to rush to purchase the units after the Government's announcement of the introduction of the Special Stamp Duty to curb speculative activities in property market;
- (b) I note that you have on 23 December 2010 advised the sales agent of the Development "to be cautious when making any statement on newly announced Government policies, and where it was necessary or appropriate, to clarify the policy intent with the Government on any newly announced Government policies which might impact on the Development before making any comments thereon". The step taken by you to advise your sales agent afterwards is not satisfactory. You are responsible for the acts of your sales agent. You should have issued instructions or guidelines beforehand to ensure that any statements issued by your sales agent in connection with the sale of units in the Development are appropriate;
- (c) You should issue proper instructions and guidelines for the acts of your sales agents for future sale of units in your developments if you have not already done so in the light of the experience gained from this particular incident. Such instructions or guidelines should cover all statements made by your sales agents including, among other things, statements made by their executives in their private capacity in their personal blogs in relation to the sale of units which are accessible to the public, as such "private" statements could be

perceived as part of the promotional and sales activities for which you are responsible; and

- (d) Based on the information so far available, it cannot be assumed that none of the purchasers of the 157 units in the Development sold on 19 November 2010 were affected by the Statement. The Lands Department will keep a close watch on the development of the matter should any aggrieved purchaser make a claim.

I should repeat that the Lands Department is acting in the landlord capacity in this matter. The Lands Department's stance or action in this case shall not prejudice, restrict, limit or prejudice any stance or action taken or to be taken by the Government acting in a different capacity.

I note that you have no objection to disclosing to the Legislative Council ("LegCo") your letters (and all attachments thereto) which are as follows: -

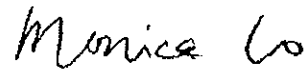
- (i) Letter of 6 December 2010;
- (ii) Letter of 13 December 2010 (and CKPD's Letter to you of 9 December 2010 attached thereto);
- (iii) Letter of 22 December 2010;
- (iv) Letter of 4 January 2011 (and your Letter to CKPD of 21 December 2010, our Letter to you of 17 December 2010 and CKPD's Letter to you of 21 December 2010 attached thereto);
- (v) Letter of 18 January 2011;
- (vi) Letter of 21 January 2011 (and CKPD's Letter to you of 15 January 2011 attached thereto);
- (vii) Letter of 1 February 2011;
- (viii) Letter of 11 February 2011 (and your Letter to East City Investments Limited c/o CKPD of 31 January 2011 attached thereto);
- (ix) Letter of 23 February 2011;
- (x) Letter of 9 March 2011 (and a copy of media report of 20 November 2010 attached thereto);

- (xi) Letter of 24 March 2011; and
- (xii) Letter of 14 April 2011

The Housing Panel of LegCo will hold a meeting on 5 May 2011. In view of your no objection to disclose your letters, I shall provide LegCo a full set of your letters (and all the attachments) referred to in (i) to (xii) above to LegCo. To help LegCo Members have a better understanding of the matter, I shall disclose a full set of our letters (including this letter) to LegCo. If I do not hear from you by noon 27 April 2011; I shall assume that you have no further comments to make and I shall proceed to disclose all the said letters to LegCo. If you are to reply to this letter on or before noon 27 April 2011 please indicate in your reply whether you have any objection to disclose your reply to this letter to LegCo.

All Government's rights in this matter, including those under my consent letter dated 20 October 2010, are reserved.

Yours faithfully,



(Ms. Monica LO)  
Senior Solicitor  
for Director of Lands

ML/wp

Please quote our reference in your reply



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

電話 Tel: 2231 3535  
圖文傳真 Fax: 2119 0754  
電郵地址 Email: monicalo\_laco@landsd.gov.hk  
本署檔號 Our Ref.: LACO/RD 4/580/2010 Pt. 3  
來函檔號 Your Ref.: S&L/MC/45/11/TWMC-pt2-PS

我們矢志努力不懈，提供盡善盡美的土地行政服務  
We strive to achieve excellence in land administration.  
香港北角渣華道三三三號北角政府合署十八樓  
18/F., NORTH POINT GOVERNMENT OFFICES  
333 JAVA ROAD, NORTH POINT, HONG KONG

網址 Website: [www.landsd.gov.hk](http://www.landsd.gov.hk)

29 April 2011

Kowloon-Canton Railway Corporation  
c/o MTR Corporation Limited  
MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Attn.: Ms Linda Li

By Fax (2993 7736) & By Post

Dear Sirs,

**Sha Tin Town Lot No. 529**  
**Festival City Phase 2**

I refer to your second letter dated 27 April 2011.

My views on the matter have been clearly set out in my letter of 21 April 2011. Your particular attention is drawn to paragraph (c) of my views in relation to follow-up action as conveyed.

I note that you have no objection to disclosure of your second letter dated 27 April 2011 to the Legislative Council ("LegCo"). Unless we hear from you to the contrary by close of play today, we will proceed to disclose to LegCo the said letter, all the previous correspondence together with the attachments as mentioned in my letter of 21 April 2011, your first letter dated 27 April 2011 in interim reply and this letter.

All Government's rights in this matter, including those under my consent letter dated 20 October 2010, are reserved.

Yours faithfully,

(Ms. Monica LO)  
Senior Solicitor  
for Director of Lands

*This message and any attachment is intended for the use of the addressee only. It may contain information which is confidential and/or legally privileged. You are hereby notified that no unauthorised disclosure or use of this message is permitted. If you have received this message by mistake, please notify us immediately and delete or destroy this message, as appropriate. Any liability arising from the use of this information is excluded.*

準時繳納地稅 - 以免業權受損  
Don't put your property at risk - make sure the Government rent is paid!

Please quote our reference in your reply



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

電話 Tel: 2231 3535  
圖文傳真 Fax: 2119 0754  
電郵地址 Email: monicalo\_laco@landsd.gov.hk  
本署檔號 Our Ref.: LACO/RD 4/580/2010 Pt. 3  
來函檔號 Your Ref.: S&L/MC/046/11/TWMC-pt2-PS

我們矢志努力不懈，提供盡善盡美的土地行政服務。  
We strive to achieve excellence in land administration.  
香港北角渣華道三三三號北角政府合署十八樓  
18/F, NORTH POINT GOVERNMENT OFFICES  
333 JAVA ROAD, NORTH POINT, HONG KONG

網址 Website : [www.landsd.gov.hk](http://www.landsd.gov.hk)

29 April 2011

Kowloon-Canton Railway Corporation  
c/o MTR Corporation Limited  
MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Attn.: Ms Linda Li

By Fax (2993 7736) & By Post

Dear Sirs,

**Sha Tin Town Lot No. 529**  
**Festival City Phase 2**

I refer to your letter dated 29 April 2011.

I have not raised any doubt that MTR Corporation Limited (“MTR”) “has full power and authority (and indeed a duty) to deal with issues such as those arising as a result of Mr Kwok’s statement and to respond to Lands Department’s queries” as confirmed by your letter. Would MTR please respond to my views as set out in (a) to (d) of my letter dated 21 April 2011 as soon as practicable and in any event not later than 7 days from the date of this letter.

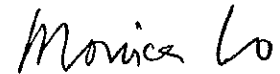
In view of your no-objection to the disclosure of your letter of 29 April 2011 to the Legislative Council (“LegCo”) in addition to your previous letters (and attachments), I am making arrangement to disclose to LegCo the said letter, all letters as mentioned in my first letter of 29 April 2011 and this letter.

*This message and any attachment is intended for the use of the addressee only. It may contain information which is confidential and/or legally privileged. You are hereby notified that no unauthorised disclosure or use of this message is permitted. If you have received this message by mistake, please notify us immediately and delete or destroy this message, as appropriate. Any liability arising from the use of this information is excluded.*

準時繳納地稅 - 以免業權受損  
Don't put your property at risk - make sure the Government rent is paid!

All Government's rights in this matter, including those under my consent letter dated 20 October 2010, are reserved.

Yours faithfully,

A handwritten signature in black ink that reads "Monica LO". The signature is written in a cursive style with a large, looped "L" at the end.

(Ms. Monica LO)  
Senior Solicitor  
for Director of Lands

ML/yyl



Please quote our reference in your reply



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

電話 Tel: 2231 3535  
圖文傳真 Fax: 2119 0754  
電郵地址 Email: monicalo\_laco@landsd.gov.hk  
本署檔號 Our Ref.: LACO/RD 4/580/2010 Pt. 3  
來函檔號 Your Ref.: S&L/MC/048/11/TWMC-pt2-PS

我們矢志努力不懈，提供盡善盡美的土地行政服務。  
We strive to achieve excellence in land administration.  
香港北角渣華道三三三號北角政府合署十八樓  
18/F, NORTH POINT GOVERNMENT OFFICES  
333 JAVA ROAD, NORTH POINT, HONG KONG

網址 Website : [www.landsd.gov.hk](http://www.landsd.gov.hk)

4 May 2011

Kowloon-Canton Railway Corporation  
c/o MTR Corporation Limited  
MTR Headquarters Building  
Telford Plaza  
Kowloon Bay  
Kowloon  
Attn.: Ms Linda Li

By Fax (2993 7736) & By Post

Dear Sirs,

**Sha Tin Town Lot No. 529**  
**Festival City Phase 2**

I acknowledge receipt of your letter of 4 May 2011, the content thereof I am studying. I will revert in due course.

I note that you have no objection to disclosure of your letter of 4 May 2011 to LegCo. I am arranging disclosure of the said letter and your letter dated 3 May 2011 in interim reply together with all the letters as mentioned in my second letter dated 29 April 2011, the letter dated 3 May 2011 from the Kowloon-Canton Railway Corporation and this letter to LegCo.

All Government's rights in this matter, including those under my consent letter dated 20 October 2010, are reserved.

Yours faithfully,

(Ms. Monica LO)  
Senior Solicitor  
for Director of Lands

ML/yyl

*This message and any attachment is intended for the use of the addressee only. It may contain information which is confidential and/or legally privileged. You are hereby notified that no unauthorised disclosure or use of this message is permitted. If you have received this message by mistake, please notify us immediately and delete or destroy this message, as appropriate. Any liability arising from the use of this information is excluded.*

準時繳納地稅 - 以免業權受損  
Don't put your property at risk - make sure the Government rent is paid!