

Gregory PAYNE@DOJ

07/11/2003 05:06 PM

☐ Urgent

☐ Return Receipt

To: Vincent WS TONG/ED/HKSARG@HD

AL

ROBERTSON/LACO/LANDSD/HKSARG@LAND

SD

JS

CORRIGALL/LAO/LANDSD/HKSARG@LANDS

D

NM CHAN/HD/HKSARG@HD

Handa CF LAM/HD/HKSARG@HD

cc: CM LEUNG/HD/HKSARG@HD

Ivanhoe CH CHANG/FB/HKSARG@FB

Simon PS LEE/DOJ/HKSARG@DOJ

Subject: Re: Hunghom Peninsula

Please find enclosed a message from CM Leung for your consideration.

Simon and I note CM's response, which we agree with.

The manner in which Govt. responds to the developer's offer dated 5th November seems to be more a policy matter than a legal matter. Accordingly, we should be grateful for your instructions as to how to respond.

Greg

— Forwarded by Gregory PAYNE/DOJ/HKSARG on 07/11/2003 16:50 —

CM LEUNG@HD

06/11/2003 15:11

To: Gregory PAYNE/DOJ/HKSARG@DOJ

cc: Ivanhoe CH CHANG/FB/HKSARG@FB

Simon PS LEE/DOJ/HKSARG@DOJ

Subject: Re: Hunghom Peninsula

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I believe it is the decision of Exco that the negotiation should involve a mediator from the beginning, not only when the direct negotiation fails to produce results. This is an important public presentation point and indeed the basis on which SHPL/Chairman of HA has agreed to delegate authority to the negotiation team for settlement within the bottom line as indicated in the Exco paper. CM

Gregory PAYNE@DOJ

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05/11/2003 04:16 PM

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To: CM LEUNG/HD/HKSARG@HD

Ivanhoe CH CHANG/FB/HKSARG@FB

cc: Simon PS LEE/DOJ/HKSARG@DOJ

Subject: Hunghom Peninsula

I do apologise - I inadvertently omitted your names from the circulation list for this message.

— Forwarded by Gregory PAYNE/DOJ/HKSARG on 05/11/2003 16:11 —

Gregory PAYNE

05/11/2003 15:40

To: Vincent WS TONG/HD/HKSARG@HD

AL ROBERTSON/LACO/LANDSD/HKSARG@LANDSD

JS CORRIGALL/LAO/LANDSD/HKSARG@LANDSD

NM CHAN/ED/HKSARG@HD

Handa CF LAM/ED/HKSARG@HD

cc: Simon PS LEE/DOJ/HKSARG@DOJ

Subject: Hunghom Peninsula

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Yesterday, we met with the developer's solicitors. The following are the salient points:

1. They agreed a 21 day extension to file the defence. They have subsequently confirmed this in writing.
2. The developer is anxious to restart negotiations on the modification premium immediately. They are going to send a written offer on the modification premium to Michael Suen and Patrick Lau immediately.
3. The parties recognise that a global settlement of the modification premium, the High Court claim for damages and the guaranteed purchase price must be concluded together. However, the developer places the most emphasis on the modification premium. Their attitude is that if that can be resolved, the High Court claim for damages will "fall away". The developer's solicitors did not discuss how they are going to treat the guaranteed purchase price. This will need to be clarified.
4. Steps will continue to be taken to set up a mediation. It is proposed to use an accredited mediator plus a valuation expert as an adviser to the mediator. Obviously, a mediation would only be proceeded with if the direct negotiations fail.

Greg Payne