

Response to media enquiries by Development Bureau and Lands Department

In response to media enquiries on a site, New Kowloon Inland Lot No. 6546 at Kai Tak Area 4C Site 4, Kai Tak, Kowloon, the spokespersons for the Development Bureau (DEVB) and the Lands Department (LandsD) responded as follows today (June 11).

The LandsD announced on May 15 that the tender for a site, New Kowloon Inland Lot No. 6546 (the lot) at Kai Tak Area 4C Site 4, Kai Tak, Kowloon, had been awarded to High Smart Investment Limited (parent company: Frontier Journey Limited) for a term of 50 years at a premium of \$11,124,470,520. High Smart Investment Limited is the highest tenderer.

According to General Condition No. 2 of the Conditions of Sale (the Conditions) governing the lot, the Purchaser, i.e. High Smart Investment Limited, shall pay the balance of the premium being the amount of \$11,099,470,520 on or before June 11. In the event that the Purchaser fails to pay the balance of premium by the deadline as mentioned above, the Government may either enforce or cancel the sale in accordance with General Condition No. 3 of the Conditions. On cancellation, the sum forwarded by the Purchaser with his tender as a deposit (being \$25,000,000) shall be wholly forfeited to the Government, and the Government will decide to resell the lot at such time and in such manner as the Government shall deem fit. The Government also reserves its rights to claim against the Purchaser for the breach of contract under the Conditions. The LandsD will take appropriate actions in accordance with General Condition No. 3 of the Conditions after seeking legal advice.

A spokesperson for the DEVB said that this was an individual case and the Government would not comment on the decision of the tenderer or its parent company, which was made in accordance with their own business considerations. The Government will continue to provide steady land supply to the market, which will not be affected by the result of an individual tender exercise.