

Tender result for Government Sale Site in Kai Tak announced

The Lands Department announced today (May 13) that the Government had rejected all four tenders received for the purchase of New Kowloon Inland Lot No. 6615 at Kai Tak Area 2A Site 4, Site 5(B) and Site 10, Kai Tak, Kowloon (the Site), after the tender closed on May 8, for the reason that the tendered premiums did not meet the Government's reserve price for the Site.

The disposal of sites in the Government's Land Sale Programme in the open market follows an established mechanism. The Government will not sell a site if no bid reaches the reserve price as assessed by the Government's professional valuers. This is to ensure that the Government gets a fair and reasonable return in the interest of protecting public revenue. The reserve price is set on the day of tender closure so that the latest market conditions will be taken into account.

The tenderers in alphabetical order, with the name of the parent company provided by the tenderers in brackets, were:

- (1) Asset Capital Limited (Sun Hung Kai Properties Limited);
- (2) Boundless Investments Limited (K&K Property Holdings Limited);
- (3) Treasure King Investment Limited (CK Asset Holdings Limited); and
- (4) Win Oasis Limited (Lifestyle International Holdings Limited and Sino Land Company Limited).

The Government will not speculate on the reasons accounting for the bids placed by tenderers. Bids put forward depend on a myriad of factors, such as the attractiveness of the site to individual tenderers, as well as how individual tenderers consider the market conditions, their respective corporate positions and development strategies.

It is the Government's policy objective to provide a steady and sustained land supply to the market to cater for the community's demand for housing and commercial sites. This objective will not be affected by the results of an individual tender exercise or current economic situation. The Government will consider the disposal arrangements for the Site at an appropriate time.

New Kowloon Inland Lot No. 6615 has a site area of about 19,788 square metres and is designated for non-industrial (excluding private residential, godown and petrol filling station) purposes. The minimum gross floor area and the maximum gross floor area are 64,679 sq m and 107,797 sq m respectively. Both include the gross floor area of Government Accommodation, being two sets of residential care home for the elderly cum day care unit for the elderly, one parents/relatives resource centre and one residential child care centre, to be constructed by the purchaser.

For background information, over the last eight financial years up to

May 13 this year, the Government mounted over 180 tender exercises for Government's land sales of which seven had to be cancelled due to the bids falling below the reserve prices. Other than the Site, the six other cancelled tender exercises involved two commercial sites at Kai Tak (tendered respectively in late 2019 and early 2019), a residential site on the Peak (tendered in late 2018) and residential sites in Yuen Long (tendered in early 2016), Tsing Yi (tendered in late 2015) and Pak Shek Kok (tendered in early 2014). Three sites in Yuen Long, Tsing Yi and Pak Shek Kok were subsequently successfully re-tendered and sold.