

10

No. **3** of 1969

In the Privy Council.

ON APPEAL

FROM THE SUPREME COURT OF HONG KONG

(APPELLATE JURISDICTION)

CIVIL APPEAL NO. 33 OF 1967

(On appeal from Original Jurisdiction Action No. 1382 of 1965)

BETWEEN

CHANG LAN SHENG

Appellant

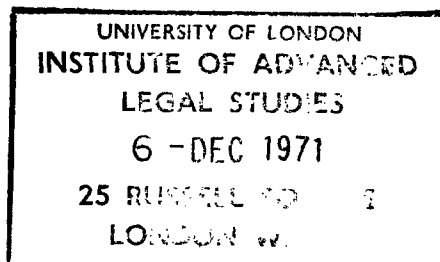
- and -

THE ATTORNEY GENERAL

Respondent

RECORD OF PROCEEDINGS

Volume III



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INSTITUTE OF ADVANCED
LEGAL STUDIES
6 - DEC 1971
25 RUSSELL SQUARE
LONDON W.C.1

(1)

IN THE PRIVY COUNCIL

No. **3** of 1969

O N A P P E A L

FROM THE SUPREME COURT OF HONG KONG

(APPELLATE JURISDICTION)

CIVIL APPEAL NO. 53 OF 1967

(On appeal from Original Jurisdiction
Action No. 1332 of 1965)

B E T W E E N

CHANG LAN SHENG

Appellant

- and -

THE ATTORNEY GENERAL

Respondent

RECORD OF PROCEEDINGS

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to the Colonial Secretary - 4th December
1935.

4th December, 1935.

The Honourable
Colonial Secretary,
Hong Kong.

Exhibits

Exhibit "A-1"

Letter from L.
Dobry to the
Colonial
Secretary

4th December
1935

Sir,

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I enclose herewith for your information copies of letters I have exchanged with Honourable Colonial Treasurer regarding the collection of the Crown rent for K.I.L. No. 539.

A number of the remaining owners of this Lot, reside out of the Colony, and I have always had great difficulty in collecting from them their respective shares of the Crown rent.

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In many instances I have actually met the deficiency from my own pocket, rather than go to greater expense and loss of time in recovering it from these people.

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I understand that in certain circumstances such as the foregoing, separate Crown Leases may be issued for the various portions of a Lot, and I would be glad to be informed if Government is prepared to issue me a separate lease in respect of the Remaining Portion of K.I.L. 539, on payment by me of the expense in connection therewith.

I am, Sir,

Yours faithfully,

(sd.) L. Dobry.

EXHIBIT "A-1A" - Counterpart Lease
of K.I.L. No. 539 - 3rd October 1888.

Exhibits

Exhibit "A-1A"

Counterpart
Lease of
K.I.L.No.
539

3rd October
1888.

THIS INDENTURE made the Third day of October One thousand eight hundred and Eighty Eight BETWEEN Our Sovereign Lady Victoria, by the Grace of GOD, of the United Kingdom of Great Britain and Ireland, Queen, Defender of the Faith, Empress of India, of the one part, and John David Humphreys of Victoria in the Colony of Hong Kong Gentleman of the other part WHEREAS by certain Letters Patent under the Great Seal of the United Kingdom of Great Britain and Ireland, made and dated at Westminster, the Nineteenth day of January in the Fifty-first Year of the Reign of Her said Majesty, it is provided that the Governor of the Colony of Hongkong, in the Name of Her said Majesty, and on Her behalf may make and execute, under the Public Seal of the said Colony, grants and dispositions of any Lands which may be lawfully granted or disposed of by Her said Majesty, provided that every such grant or disposition be made in conformity either with some law in force in the Colony or with some Instructions addressed to the Governor under Her Majesty's Sign Manual and Signet or through one of Her Majesty's Principal Secretaries of State, or with some regulations in force in the Colony; AND WHEREAS Sir George William Des Voeux, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, is now the duly constituted and appointed Governor and Commander-in-Chief of the said Colony of Hongkong, and its Dependencies; NOW THIS INDENTURE WITNESSETH that in consideration of the sum of Five hundred and twenty eight Dollars current money of the said Colony of Hongkong, paid into the Treasury of the said Colony for the use of Her said Majesty by the said John David Humphreys (the receipt whereof is hereby acknowledged) and in consideration of the yearly rent, covenants and stipulations hereinafter reserved and contained, by and on the part and behalf of

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the said John David Humphreys, his Executors, Administrators and Assigns, to be paid, done and performed; Her said Majesty Queen Victoria Doth hereby grant and demise, unto the said John David Humphreys, his Executors, Administrators and Assigns, ALL that piece or parcel of Ground situate lying and being at Kowloon Point in the Dependency of Kowloon and Colony of Hongkong aforesaid abutting on the North side thereof on Granville Road and measuring thereon Five hundred and sixteen feet, on the South side thereof partly on Cameron Road and measuring thereon Three hundred and seven feet and partly on Kowloon Inland Lot No.537 and measuring thereon Two hundred and fourteen feet on the East side thereof partly on Kowloon Inland Lot No.538 and measuring thereon One hundred and eight feet and partly on Kowloon Inland Lot No.537 and measuring thereon One hundred and forty three feet, and on the West side thereof on Carnarvon Road and measuring thereon Two hundred and seventy one feet and six inches; which said piece or parcel of ground hereby expressed to be demised Contains in the whole One hundred and five thousand six hundred and eighteen square feet, and is more particularly delineated on the plan hereunto annexed and thereon coloured red and is registered in the Land Office as Kowloon Inland Lot No.539 in the name of the said John David Humphreys And all the easements and appurtenances whatsoever to the said demised premises belonging or in any-wise appertaining. EXCEPT AND RESERVED unto Her said Majesty, Her Heirs, Successors and Assigns, all Mines, Minerals and Quarries of Stone in, under and upon the said premises, and all such Earth, Soil, Marl, Clay, Chalk, Brick-earth, Gravel, Sand, Stone and Stones and other Earths or Materials, which now are or hereafter during the continuance of this demise, shall be under or upon the said premises, or any part or parts thereof, as Her said Majesty, Her Heirs, Successors and Assigns may require for the Roads, Public Buildings, or other Public Purposes of the said Colony of Hongkong; with full liberty

Exhibits

Exhibit "A-LA"

 Counterpart
 Lease of K.I.L.
 No.539

 3rd October
 1888

(Contd.)

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Exhibits

Exhibit "A-1A"

Counterpart
Lease of K.I.L.
No.539

3rd October
1888
(Contd.)

of Ingress, Egress and Regress, to and for Her said Majesty, Her Heirs, Successors and Assigns, and Her and their Agents, servants and workmen, at reasonable times in the day during the continuance of this demise, with or without horses, carts, carriages and all other necessary things into, upon, from and out of all or any part or parts of the premises hereby expressed to be demised, to view, dig for, convert and carry away, the said excepted Minerals, Stone, Earths and other things respectively, or any part or parts thereof respectively, thereby doing as little damage as possible to the said John David Humphreys, his Executors, Administrators, or Assigns; AND ALSO SAVE AND EXCEPT full power to Her said Majesty, Her Heirs, Successors and Assigns to make and conduct in, through and under the said premises; all and any public or common sewers, drains, or watercourses TO HAVE AND TO HOLD the said piece or parcel of ground and premises hereby expressed to be demised, with their and every of their appurtenances, unto the said John David Humphreys, his Executors, Administrators and Assigns, from the twenty fourth day of June One thousand eight hundred and eighty eight for and during and unto the full end and term of Seventy-five Years from thence next ensuing and fully to be complete and ended: YIELDING AND PAYING therefor yearly and every year the Sum of Four hundred and eighty four Dollars in Current money of the said Colony of Hongkong, by equal half-yearly payments, on the Twenty-fourth day of June and the Twenty-fifth day of December, in every Year, free and clear of and from all Taxes, Rates, Charges, Assessments and Deductions whatsoever, charged upon or in respect of the said premises or any part thereof, the first half-yearly payment of the said Rent to become due on the twenty fifth day of December One thousand eight hundred and eighty eight AND the said John David Humphreys for himself, his Heirs, Executors, Administrators and Assigns doth hereby covenant with Her said Majesty, Her Heirs, Successors and Assigns by these

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513

KOWLOON INLAND LOT NO. 539.

I.L. 540



Exhibits

Exhibit
"A-1A"

Counter-
part
Lease of
K.I.L.
No. 539

3rd
October
1888
(Contd.)

50'0"

Granville Road

516'0"

CARNARVON ROAD

I.L. 539
AREA 105618 Sq. Ft.

214' 0"

143'

I.L. 537

307'0"

CAMERON ROAD

I.L. 417

I.L. 418

I.L. 524.

SCALE 100 FT = 1 INCH

Exhibits

Exhibit "A-1A"

Counterpart

Lease of K.I.L.

No. 539

3rd October
1888

(Contd.)

presents, in manner following, that is to say, that he the said John David Humphreys, his Heirs, Executors, Administrators, or Assigns shall and will yearly, and every year, during the said term hereby granted, well and truly pay or cause to be paid to Her said Majesty, Her Heirs, Successors and Assigns, the said yearly Rent of Four hundred and eighty four Dollars clear of all deductions as aforesaid on the several days and times and in the manner hereinbefore reserved and made payable; AND ALSO that he the said John David Humphreys, his Executors, Administrators, and Assigns shall and will during all the said term hereby granted, bear, pay and discharge all taxes, rates, charges and assessments whatsoever, which now are or shall be hereafter assessed or charged upon or in respect of the said premises hereby expressed to be demised or any part thereof. AND ALSO that the said John David Humphreys, his Executors, Administrators, or Assigns, shall and will, forthwith at his or their own proper costs and charges, erect, build and completely finish in a good, substantial and workmanlike manner and with the best materials of their respective kinds, one substantial messuage or tenement, with stone and lime mortar walls and tile roof upon the ground hereby demised, with proper fences, walls, sewers, drains and all other usual or necessary appurtenances, which said messuage or tenement, shall be of the same rate of building, elevation, character and description, and shall front and range in a uniform manner with the buildings immediately adjoining or intended to adjoin in the same Street; and the whole to be done to the satisfaction of the Surveyor of Her said Majesty, Her Heirs, Successors, or Assigns. AND ALSO that he the said John David Humphreys, his Executors, Administrators and Assigns, shall and will from time to time, and at all times hereafter, when, where, and as often as need or occasion shall be and require, at his and their own proper costs and charges, well and sufficiently Repair, Uphold, Support, Maintain, Pave, Purge,

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Scour, Cleanse, Empty, Amend and keep the messuage or tenement, and all other erections and buildings, now or at any time hereafter standing upon the said piece or parcel of ground hereby expressed to be demised, and all the Walls, Rails, Lights, Pavements, Privies, Sinks, Drains and Watercourses thereunto belonging, and which shall in anywise belong or appertain unto the same, in, by and with all and all manner of needful and necessary reparations, cleansings and amendments whatsoever, the whole to be done to the satisfaction of the Surveyor of Her said Majesty, Her Heirs, Successors, or Assigns; AND THE SAID messuage or tenement, erections, buildings and premises, being so well and sufficiently repaired, sustained and amended, at the end, or sooner determination of the said term hereby granted, shall and will peaceably and quietly deliver up to Her said Majesty, Her Heirs, Successors, or Assigns; AND ALSO that the said John David Humphreys, his Executors, Administrators and Assigns shall and will during the term hereby granted, as often as need shall require, bear, pay and allow a reasonable share and proportion for and towards the costs and charges of making, building, repairing, and amending, all or any roads, pavements, channels, fences and party-walls, draughts, private or public sewers and drains, requisite for, or in, or belonging to the said premises, hereby expressed to be demised or any part thereof, in common with other premises near or adjoining thereto, and that such proportion shall be fixed and ascertained by the Surveyor of Her said Majesty, Her Heirs, Successors, or Assigns, and shall be recoverable in the nature of rent in arrear; AND FURTHER that it shall and may be lawful to and for Her said Majesty, Her Heirs, Successors, or Assigns, by Her or their Surveyor, or other persons deputed to act for Her or them, twice or oftener in every year during the said term, at all reasonable times in the day, to enter and come into and upon the said premises hereby expressed to be demised, to view,

Exhibits

Exhibit "A-1A"

 Counterpart
 Lease of K.I.L.
 No. 539

 3rd October
 1888

(Contd.)

Exhibits

Exhibit "A-1A"

Counterpart
Lease of K.I.L.
No. 539

3rd October
1888

(Contd.)

search and see the condition of the same, and of all decays, defects and wants of reparation and amendment, which upon every such view or views shall be found, to give or leave notice or warning in writing, at or upon the said premises, or some part thereof, unto or for the said John David Humphreys his Executors, Administrators, or Assigns, to repair and amend the same within Three Calendar months then next following, within which said time or space of Three Calendar Months, after every such notice or warning shall be so given, or left as aforesaid, the said John David Humphreys, his Executors, Administrators or Assigns will repair and amend the same accordingly; AND FURTHER that the said John David Humphrey his Executors, Administrators or Assigns, or any other person or persons, shall not nor will, during the continuance of this demise, use, exercise or follow, in or upon the said premises or any part thereof, the trade or business of a Brazier, Slaughterman, Soap-maker, Sugar-baker, Fellmonger, Melter of tallow, Oilman, Butcher, Distiller, Victualler, or Tavern-keeper, Blacksmith, Nightman, Scavenger, or any other noisy, noisome or offensive trade or business whatever, without the previous licence of Her said Majesty, Her Heirs, Successors, or Assigns, signified in writing by the Governor of the said Colony of Hongkong; or other person duly authorized in that behalf; AND ALSO that he the said John David Humphreys, his Executors, Administrators or Assigns, shall not nor will, assign, demise, mortgage, or otherwise part with, all or any part of the said premises hereby expressed to be demised, for all or any part of the term hereby expressed to be granted without forthwith registering such alienation in the Land Office, or in such other Office as may hereafter be instituted for the purposes of Land Registration in the said Colony of Hongkong, and paying all reasonable fees and other expenses thereon PROVIDED always, and it is hereby agreed and declared than in case the said yearly rent of Four hundred and

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eighty four Dollars hereinbefore reserved,
 or any part thereof, shall be in arrear and
 unpaid by the space of twenty-one days next
 over, or after any or either of the said days
 whereon the same ought to be paid as aforesaid,
 (whether lawfully demanded or not,) or in
 case of the breach or non-performance of any
 or either of the covenants and conditions
 herein contained, and by or on the part and
 behalf of the said John David Humphreys, his
 Executors, Administrators or Assigns, to be
 kept, done and performed, then, and in either
 of the said cases, it shall and may be lawful
 to and for Her said Majesty, Her Heirs,
 Successors, or Assigns, by the Governor of
 Hongkong, or other person duly authorized in
 that behalf, into and upon the said premises,
 hereby expressed to be demised, or any part
 thereof, in the name of the whole, to re-enter
 and the same to have again, retain, repossess
 and enjoy, as in Her or their first or former
 estate, as if these presents had not been
 made; and the said John David Humphreys, his
 Executors, Administrators and Assigns, and
 all other occupiers of the said premises
 thereout and thence utterly to expel, put
 out and amove, this Indenture or anything
 contained herein to the contrary notwithstanding
 PROVIDED also, and it is hereby further agreed
 and declared that Her said Majesty, Her Heirs,
 Successors and Assigns, shall have full power
 to resume, enter into, and re-take possession
 of all or any part of the premises hereby
 expressed to be demised, if required for the
 improvement of the said Colony of Hongkong,
 or for any other public purpose whatsoever,
 Three Calendar Months' notice being given to
 the said John David Humphreys, his Executors,
 Administrators, or Assigns of its being so
 required, and a full and fair Compensation
 for the said Land and the Buildings thereon,
 being paid to the said John David Humphreys,
 his Executors, Administrators or Assigns, at
 a valuation, to be fairly and impartially
 made by the Surveyor of Her said Majesty,
 Her Heirs, Successors, or Assigns, and upon
 the exercise of such power the term and estate

Exhibits

Exhibit "A-1A"

 Counterpart
 Lease of K.I.L.
 No. 539

 3rd October
 1888

(Contd.)

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Exhibits

Exhibit "A-1A"

Counterpart
Lease of K.I.L.
No. 539

3rd October
1888

(Contd.)

hereby created shall respectively cease,
determine and be void. IN WITNESS whereof
the said parties to these presents have
hereunto set their hands and seals the day
and year first above written.

SIGNED sealed and delivered)
by the above named John) Sd. John David
David Humphreys in the) Humphreys
presence of :)

Sd.

Deputy Land Officer
Hong Kong.

EXHIBIT "A-1B" - The memorial of
Assignment memorial No.89452.

Exhibits

Exhibit "A-1B"

No. 89452

The memorial
of Assignment
memorial
No.89452

A MEMORIAL required to be registered in the
Land Office according to the provisions of
Ordinance No.1 of 1844.

Nature and object of the Instrument to which
the Memorial relates.

10 INDENTURE OF ASSIGNMENT made between the
undermentioned Vendor of the one part and
the undermentioned Purchaser of the other
part WHEREBY AFTER RECITING Crown Lease
dated the 3rd day of October 1888 of Kowloon
Inland Lot 539 for the term of 75 years from
the 24th day of June 1888 AND AFTER RECITING
agreement for sale IT WAS WITNESSED that
in consideration of the sum of \$35,000 paid
by the Purchaser (receipt etc.) the Vendor
assigned unto the Purchaser ALL THAT piece
20 or parcel of ground and premises registered
in the Land Office as Section Q of Kowloon
Inland Lot No.539 as the same was more
particularly shown and delineated on the plan
annexed to an Assignment dated the 28th Febr-
uary 1921 and registered by Memorial No.74412
and thereon coloured red and yellow Together
with the messuage etc. And particularly
together with a right of way in the said
Assignment more particularly described over
30 the premises coloured green on the said plan
etc. TO HOLD the same UNTO the purchaser
for the residue of the said term of 75 years
granted by the said Crown Lease subject to
the payment of \$19.74 being a proportion of
the Crown Rent and subject as to the portion
of the said thereby assigned premises coloured
Yellow on the said plan to a right of way
over same more particularly mentioned in the
said Assignment COVENANTS by Purchaser to
40 observe covenants in Crown Lease and to
indemnify Vendor therefrom and to pay the
annual sum of \$19.74 being the due proportion

Exhibits

of the Crown Rent COVENANTS for title by Vendor.

Exhibit "A-1B"

The memorial
of Assignment
memorial
No. 89452
(Contd.)

Date of Instrument: The 15th day of January 1924.

Names and additions of Parties: WONG YUNG () of Victoria in the Colony of Hongkong Married Woman of the one part "the Vendor" and MARIA CH DE YAU of Victoria aforesaid Married Woman of the other part "the Purchaser"

10

Names and additions of Witnesses: H.K. Hung, Solicitor, Hong Kong - Witness to the execution by both parties.

Premises affected by the Instrument: SECTION Q OF KOWLOON INLAND LOT NO. 539.

20

Signature of Parties signing Memorial: Sd. Wong Yung.

On this 22nd day of January 1924 To Lai Him of Victoria in the Colony of Hongkong Clerk to Messrs. Deacon (illegible) appeared before me and affirmed (according to Section VII of Ordinance No. 1 of 1844) that the foregoing Memorial contains a just and true account of the several particulars therein set forth.

30

Victoria,
J.P.

Received at the Land Office and Registered as Memorial No. 89452 on Tuesday the Twenty second day of January 1924, at Three o'clock in the afternoon.

Land Officer.

EXHIBIT "A-2" - from the Colonial
Secretary to L. D'Obry, - 24th
December 1935. (Letter)

Exhibits

Exhibit "A-2"

Letter from the
Colonial Secre-
tary to L.D'Obry

24th December, 1935.

24th December
1935

Sir,

I am directed to acknowledge the receipt of your letter dated 4th December, 1935, and to inform you that the Crown cannot re-enter unless and until default has been made in payment of Crown Rent. In the event of the Crown so re-entering, the question of offering new Crown Leases will be considered.

10

I am, Sir,

Your obedient servant,
(sd.) D. MacDougall
p. Colonial Secretary.

L. D'Obry, Esq.,
18, Queen's Road Central,
Hong Kong.

Exhibits

Exhibit "A-3"

Standard form
letter from
Land Officer
to Crown
Lessees

EXHIBIT "A-3" - Standard form
letter from Land Officer to
Crown Lessees.

The Land Office,
Supreme Court.

I have to inform you that default
having been made in payment of Crown Rent
for the above lot, the Crown has re-entered
upon the lot and all its sections.

I am authorised by the Government to
offer you a new Crown Lease of the above
mentioned portion of the lot, which was held
by you prior to re-entry, on the terms and
conditions contained in the schedule which
accompanies this letter.

10

Particular attention is called to the
necessity for signifying your acceptance of
these terms within 14 days, if you desire
to avail yourself of this offer.

I have the honour to be, 20
Your obedient servant,

Land Officer.

EXHIBIT "A-4" - Memorial of
re-entry of K.I.L. No.539.

Exhibits

Exhibit "A-4"

Memorial of
re-entry of
K.I.L. No.539

SCHEDULE.

TERMS AND CONDITIONS FOR THE GRANT OF NEW
CROWN LEASES TO THE FORMER HOLDERS OF PORTIONS
OF K.I.L. NO.539.

1. The term "section holders" used herein shall include the registered holder of any section or sub-section or of the Remaining Portion of the Lot at the date of re-entry by the Crown.
2. The section holders shall satisfy the Land Officer that their titles to the portions of the Lot held by them prior to re-entry were in order, and that they are the proper persons to receive the new Crown Leases therefor.
3. In cases where the property held by them prior to re-entry was mortgaged, charged or in any way encumbered or was subject to any leases, tenancy agreement or trust which had been registered, or was subject to any outstanding claim at the date of re-entry, the section holders shall make provision to the satisfaction of the Land Officer for the protection of all such claims and interests.
4. New Crown Leases shall be granted to the section holders for a term of 75 years from the 24th day of June, 1888. The new Crown Leases shall be subject to and shall contain all exceptions, reservations, covenants, clauses and conditions now inserted in Crown Leases of similar lots in the Colony of Hong Kong or requisite for giving effect to these terms.
5. The Crown Rents for the new lots shall be at the rate payable under the former Crown Lease with an addition of a proportion payable in respect of private streets and lanes (if any) which will not be re-granted, but the same

Exhibits

Exhibit "A-4"

 Memorial of
 re-entry of
 K.I.L. No. 539
 (Contd.)

shall be adjusted to the nearest even dollar. Prior to taking up Crown Leases each section holder shall make a proportionate payment representing a share of \$3,200 to cover the cost of putting in order the sewers and surfaces of street and lanes.

6. The exact areas and boundaries of the new lots shall be determined by the Director of Public Works whose decision as to area and boundaries shall be final and binding whether or not such areas be more or less than the areas held by the section holders prior to re-entry.

10

7. Each section holder shall pay into the Colonial Treasury on demand the following sums :-

(a) A sum of \$8.00 for each boundary stone required to define the new lots and/or the cost of refixing and renumbering any existing boundary stone. The stones to be supplied and fixed by the Director of Public Works.

20

(b) All arrears of Crown Rent due at the date of re-entry together with a sum equivalent to the Crown Rent which would have accrued due in respect of the period between the date of re-entry and the issue of the new Crown Lease had re-entry not taken place, and all rates and other outgoings due to the Crown.

30

(c) A survey fee of \$20.00 for each new lot.

8. They shall take up the Crown Leases for the new lots when called upon to do so by the Land Officer, and shall pay to him the prescribed fees for each new Crown Lease, provided that no new lot shall contain more than one house site and that in cases where there are more than one house on any portion, or section of the lot the holder of that portion or section shall take up a separate

40

10 Crown Lease for each site thereon, and shall pay the prescribed fee of \$60 for the first lease, and \$30.00 for each additional lease required for house sites in that portion or section, and shall also execute and register such verandah or balcony undertakings as the Land Officer may require, and shall pay the requisite fees for the registration thereof. And endorsement by the Land Officer on the registers that Plans of any portion of the Lot are in the Land Office shall be deemed to be a sufficient requisition for the taking up of a Crown Lease of that portion.

9. They shall on the receipt of a new Crown Lease deliver up to the Land Officer all old title deeds relating to the area in respect of which it is granted.

20 10. The terms for the grant of new leases hereinbefore contained are open to acceptance for a period of 14 days from the date of the accompanying letter, and if not accepted within that period shall be deemed to be withdrawn.

11. If any section holder shall after acceptance of these terms make default in complying with any requirement thereunder, then and in such case the offer and acceptance shall for all purposes be deemed to be void and of no effect.

30 -----
DESCRIPTION OF PREMISES.

Kowloon Inland Lot No. 539
(for Sections & Subsections see back)

BE IT REMEMBERED that on the _____ day of 1936. - I, SIR ANDREW CALDECOTT, C.M.G., C.B.E. Governor of Hong Kong did in the name and on behalf of His Majesty the King re-enter upon the lands tenements and premises above described for breach of + Covenant in the Crown Lease thereof

40 Dated this _____ day of _____ 1936.
SEAL GOVERNOR

+ Insert "Covenant in the Crown Lease thereof" or, (as the case may be) "a condition or stipulation of the tenancy thereof".

Exhibits

Exhibit "A-4"

Memorial of re-entry of K.I.L. No. 539 (Contd.)

Exhibits

EXHIBIT "A-5" - List of names of section holders of K.I.L. No.539.

Exhibit "A-5"

List of names of section holders of K.I.L. No.539

KOWLOON INLAND LOT NO.539.

The Remaining Portion.

- Section A.
- Section B.
- Section C.
- Section D.
- Section E.
- Section F. 10
- Section G.
- Section H.
- Section I.
- Section J.
- Section K.
- Section L.
- Section M.
- Section N.
- Section O.
- Section P. 20
- Section Q.
- Section R.
- Section S.
- Section T.
- Section U.
- Section V.
- Section W.
- Section X.
- Section Y.
- Section Z. 30
- The Remaining Portion of Section AA.
- Subsection 1 of Section AA.
- Subsection 2 of Section AA.

EXHIBIT "A-6" - Letter from J.E.
Joseph to Land Officer.- 8th April 1936

8th April 1936

W.J. Lockhart-Smith, Esq.,
Land Officer,
Supreme Court,
HONG KONG.

Sir,

Sec. A of K.I.L. No.539.

10

I have the honour to acknowledge receipt of your letter C.S.O. No.3963/1935 of 7th April, and note that the registered owner has defaulted in the payment of Crown Rent and consequently the Crown has re-entered upon the lot.

20

I have to thank you for your offer to issue a new Crown Lease of the above section, and shall be very pleased to avail myself thereof. I shall be glad if you will convey to the proper quarter my request that the new Crown Lease should be for a period of 75 years, to date from the issue of the new Lease, and carry the usual option of renewal for a further period of 75 years.

I have the honour to be,
Sir,

Your obedient servant,

Sd. J.E. Joseph.

Exhibits

Exhibit "A-6"

Letter from
J.E. Joseph to
Land Officer

8th April 1936

Exhibits

Exhibit "A-7"

Letter from
Land Officer to
J.E. Joseph

9th April 1936

EXHIBIT "A-7" - Letter from Land
Officer to J.E. Joseph - 9th April
1936

9th April, 1936.

Dear Sir,

Sec.A of K.I.L. No.539.

I beg to acknowledge the receipt
of your letter of yesterday's date, and
have forwarded the request contained in
its final paragraph to the Honourable
Colonial Secretary. I anticipate that
the consideration of the question will take
some considerable time.

10

Yours faithfully,

Land Officer.

J.E. Joseph Esq.,
Prince's Building.

EXHIBIT "A-8" - Letter from
Leaseholders of K.I.L. No.539 to
Land Officer - 17th April 1936

Exhibits

Exhibit "A-8"

Letter from
Leaseholders of
K.I.L. No.539
to Land Officer

17th April 1936.

Hongkong, April 17, 1936.

W.J. Lockhart Smith, Esq.,
Land Officer,
Supreme Court Building,
HONG KONG.

Sir:

10 We have for acknowledgement your
letter of 7th April, 1936, addressed to us
individually, and in reply thereto, we beg
to signify our willingness to accept a new
Crown Lease on the section of Kowloon Inland
Lot No.539 appearing opposite our respective
names, under the terms specified in the
aforementioned letter.

20 We have appointed Messrs. E.G. D'Aquino
and L.R. Ildefonso to form a Committee to
represent us. This Committee interviewed
you on the 14th instant and we note below the
understanding that that Committee had with
you during said interview:

30 (1) That you will not literally interpret
the fourteen day period given in your letter
so as to allow leaseholders of various
sections of above Kowloon Inland Lot to make
all necessary arrangements with which to
secure a new Crown Lease on their respective
sections.

(2) That in case property is mortgaged,
you will be willing to deliver direct to the
mortgagee the new Crown Lease, the interested
mortgagor to make the necessary arrangements
with the mortgagee for the turning over to
Government of all the old title deeds
covering said property, this for the purpose
of eliminating any unnecessary solicitor's
fees.

Exhibits

Exhibit "A-8"

Letter from
Leaseholders
of K.I.L.No.
539 to Land
Officer

17th April 1936.
(contd.)

(3) That the matter of giving a 75-year lease as from date of issuance of new Crown Lease with an option for another 75 years is now receiving the attention of Government due to letter written by Mr. J.E. Joseph, leaseholder of Nos.34-36 Granville Road, which forms part of K.I.L. 539. You suggested that it will not be necessary for us to write you officially in this connection as if favorable action be taken on this question, the same terms and conditions as given Mr. Joseph would be given the remaining leaseholders of the above lot.

10

We beg to remain,
Sir,
Yours faithfully,

- (Sd.) Leaseholder of Section S K.I.L.539.
- (Sd.) Leaseholder of Section X K.I.L.539.
- (Sd.) Leaseholder of Section T K.I.L.539.
- (Sd.) Leaseholder of Section L K.I.L.539.
- (Sd.) Leaseholder of Section Q K.I.L.539.
- (Sd.) Leaseholder of Section K K.I.L.539.
- (Sd.) Leaseholder of Section J K.I.L.539.
- (Sd.) Leaseholder of Section W K.I.L.539.
- (Sd.) Leaseholder of Section M K.I.L.539.

20

.....

EXHIBIT "A-9" -- Letter from Land
Officer to J. E. Joseph. - 6th
June 1936.

Exhibits

Exhibit "A-9"

6th June 1936.

Letter from
Land Officer
to J.E. Joseph

Dear Sir,

Sec.A of K.I.L. 539.

6th June 1936.

10 With reference to your letter of 6th
April 1936 on the subject of the above premises,
I am directed to inform you that Government
has carefully considered your request that the
term of the new Crown Lease should be for 75
years from the date of issue, renewable for
a further term of 75 years on the usual terms,
and regrets that it is unable to agree to the
concession asked for.

I am, however, authorized to amend the
original terms offered to you in my printed
letter of 7th April, 1936 as follows :-

- 20 1. The term to be for 75 years from the
24th June, 1888 renewable for one further
term of 75 years at a Crown Rent to be
assessed by the Director of Public Works.
2. The Crown Lease shall contain a covenant
to maintain buildings on the land
comprised in the grant of a value of not
less than \$30,000.
- 30 3. The Crown Rent to be calculated at the
rate of \$1,000 per acre per annum now
in force in the district, which gives
an annual rental of \$608 per annum.
This figure is approximate, and is
subject to adjustment on final survey.
4. A premium to be paid calculated on the
approved method, namely the difference
between the value of the existing tenancy
and the value of the new Lease as
assessed respectively by the Valuations
and Resumptions Officer. The premium
as so calculated is \$1,487.41.

Exhibits

Exhibit "A-9"

Letter from
Land Officer
to J.E. Joseph

6th June 1936.
(contd.)

I shall be obliged if you will inform me whether you are prepared to accept the original terms as amended by this letter, or whether you will now accept the original terms without qualification.

Yours faithfully,

Land Officer.

J.E. Joseph Esq.,
Prince's Building.

EXHIBIT "A-10" - Letter from Land Officer
to Messrs. E.C. D'Aquino and L.R.
Illdefenso together with valuation
Report - 8th July 1936

Exhibits

Exhibit "A-10"

Letter from
Land Officer
to Messrs. E.C.
D'Aquino and
L.R. Illdefenso
together with
valuation
Report

8th July, 1936.

Dear Sirs,

K.I.L. No. 539.

8th July 1936.

10

I now send you herewith as requested
a copy of the Valuation and Resumption
Officer's Report on the sections in which you
and your group of co-owners are interested.
A copy of the P. W. D. working plan is also
enclosed.

20

I shall be obliged if you will allow
Mr. H.J. Silva of Messrs. Dodwell & Co. Ltd.,
the owner of section V of the lot, to inspect
these documents, as he has made a request
similar to your own, and it appears that the
position as regards his section must approximate
very closely to that affecting the adjoining
sections with which Mr. Richardson deals in
his report.

I have notified Mr. Silva that a copy
of this report has been sent to you.

Yours faithfully,

Land Officer.

Messrs. E.G. D'Aquino & L.R. Illdefenso,
c/o American Express Co. Inc.

(- COPY)

Exhibits

Exhibit "A-10"

Re-entry on K.I.L. 539 (all sections).

Application for renewal of leases of

Sections J, K, L, M, Q, S, T, W and X.

Letter from,
Land Officer
to Messrs. E.C.
D'Aquino and
L.R. Illdefenso
together with
valuation
Report

The leases of the above sections were held for terms of 75 years from 24/6/1888 and at the date of Re-entry by Government, on 21/3/36, had a period of 27 years unexpired.

The houses are in a district favoured by the Portuguese community and the majority of them are occupied by the owners.

8th July 1936.
(contd.)

The sections are shown by red edging on the attached plan - Salisbury Avenue and the lanes coloured brown on plan are to be taken over by Government.

I set out below valuations showing the amounts of premium which should be paid upon a renewal being granted - based on the "approved method" laid down in C.S.O. 1413/26.

Proposed Terms for Renewal of Lease.

1. K.I.L. 539 Sec. J (No.13 Carnarvon Road). 20
 - (a) Building Covenant. The section is fully developed by the existing house which comprises a fairly old 2 storied villa type residence built of brick with a tiled and ridged roof. A covenant to maintain buildings on the section to the value of \$7,000.00 would be reasonable.
 - (b) Revised Crown Rent (at the rate of \$1,000 per acre per annum). The existing lease area included $\frac{1}{2}$ the site of Salisbury Avenue abutting on the section (old Crown Rent = \$19.85). Approximate area of the house site as computed from 50' plan is 3,313 sq.ft. Amount of new Crown Rent = $\$ \frac{(1000 \times 3313)}{43,560}$
= \$76.00 p. a. (to nearest even \$). 30

(c) Renewal Premium.

Exhibits

(1) Value of old lease:

Exhibit "A-10"

Gross Income - \$1,020 p.a.

	<u>Outgoings</u>		Gross Income = \$1,020.00	
	Crown Rent = \$ 19.85		Outgoings = <u>363.75</u>	Letter from
	Rates 17% = 181.90		N. I. = \$ 656.25	Land Officer
	of \$1,070.			to Messrs. E.C.
		Y.P. @ 7%		D'Aquino and
	Insurance = 42.00	for 27 years = <u>11.987</u>		L.R. Illdefenso
10	Repairs = <u>120.00</u>	C.V. = <u>\$7,866.46</u>		together with
	<u>\$363.75</u>			valuation
	=====			Report

(ii) Value of Proposed Lease.

8th July, 1936.

Estimated net Income of \$600.10
(i.e. \$656.25 less difference
between new and old Crown Rent).

(contd.)

	N. I.	= \$600.10
	Y.P. @ 7%	
	for say	= 14.286
	perpetuity	
	C. V.	= <u>\$8,573.03</u>
		=====

20 Amount of premium is therefore \$8,573.03 -
\$7,866.46.00 = \$706.57.
=====

Revised Crown Rent = \$76.00 p.a.
=====

2. K.I.L. 539 Sec. K (No.13, Salisbury Avenue).

(a) Building Covenant. The section is fully developed by the existing house which comprises a reconstructed 2 storied villa type residence. A covenant to maintain buildings on the section to the value of \$5,000.00 would be reasonable.

(b) Revised Crown Rent. The existing lease area included $\frac{1}{2}$ the site of Salisbury Avenue abutting on the section.

Exhibits

Exhibit "A-10"

 Letter from
 Land Officer
 to Messrs. E.C.
 D'Aquino and
 L.R. Illdefenso
 together with
 valuation
 Report

 8th July 1936.
 (contd.)

(Old Crown Rent = \$13.60).
 Approx. area of the house site as
 computed from 50 plan is 2,270 sq. ft.

Amount of new Crown Rent = $\frac{\$(1000 \times 2270)}{43,560}$
 = \$52.00 p.a. (to nearest even \$)

(c) Renewal Premium.

(i) Value of Old Lease.
 Estimated gross income of \$780 p.a.

Outgoings.

Crown Rent = \$ 13.60	Gross Income = \$780.00	10
Rates 17%		
of \$820. = 139.40	Outgoings =	<u>288.00</u>
Insurance = 35.00	N. I. =	492.00
Repairs = <u>100.00</u>	Y.P @ 7%	
	for 27	
	years =	<u>11.987</u>
<u>\$288.00</u>	C. V. =	<u>\$5,897.60</u>

(ii) Value of Proposed Lease.

Estimated Net Income of \$453.60
 (i.e. \$492 less difference between
 new and old Crown Rent). 20

N. I. =	\$ 453.60
Y.P. @ 7%	
for say	
perpetuity =	<u>.14.286</u>
C. V. =	<u>\$6,480.13</u>

Amount of Premium is therefore
\$6,480.13 - \$5,897.60 = \$582.53.

Revised Crown Rent = \$52.00 p.a.

(a) Building Covenant. The sections are fully developed by the existing houses which comprise old 2 storied villa type residences built of brick with tiled and ridged roofs. A covenant to maintain buildings to the value of \$5,000 on each of the sections would be reasonable.

Exhibits

Exhibit "A-10"

Letter from
Land Officer
to Messrs. E.C.
D'Aquino and
L.R. Illdefenso
together with
valuation
Report

10

(b) Revised Crown Rent. The existing leased areas included $\frac{1}{2}$ the site of Salisbury Avenue abutting on the sections. Approx. areas of the house sites as computed from 50' plan are

No.12 - 2,243 sq. ft.

No.11 - 2,236 sq. ft.

8th July 1936.

The amount of the Revised Rent in each case is \$52.00 p.a. (to nearest even \$).

(contd.)

(c) Revised Premium.

20

The estimated rental from each house is put down at \$780.00 p.a. (i.e. the same as from No. 13).

The renewal premium should therefore be taken at \$582.53 for each house.

Revised Crown Rent for each house =
\$52.00 p. a.

4. K.I.L. 539 Sec. Q (No.11, Carnarvon Road).

30

(a) Building Covenant. The section is fully developed by the existing house which comprises an old 2 storied villa residence which has been reconstructed and added to.

A covenant to maintain buildings to the value of \$7,000 would be reasonable.

(b) Revised Crown Rent. The existing lease area included $\frac{1}{2}$ the site of Salisbury Avenue abutting on the section (old Crown Rent = \$19.74).

Approx. area of the building site as computed from 50' plan is 3,313 sq. ft.

Amount of new Crown Rent = $\frac{(1000 \times 3313)}{43,560}$

40

43,560

= \$76.00 p. a. (to nearest even \$)
 =====

Exhibits

Exhibit "A-10"

Letter from
 Land Officer
 to Messrs. E.C.
 D'Aquino and
 L.R. Illdefenso
 together with
 valuation
 Report.

8th July 1936
 (contd.)

(c) Renewal Premium.

(i) Value of old lease.

Estimated gross income of \$1,400
 p.a.

Outgoings.

Crown Rent = \$ 19.74	Gross Income = \$1,400.00
Rates 17% of \$1,700 = 289.00	Outgoings = <u>- 551.74</u>
Insurance = 63.00	N. I. = \$ 888.26
Repairs = <u>180.00</u>	Y.P. for 27 years @ 7% = <u>11.987</u>
<u>\$551.74</u>	C. V. = <u>\$10,647.57</u>

10

(ii) Value of Proposed Lease.

Estimated Net Income of \$832.00
 (i.e. \$888.26 less difference
 between new and old Crown Rent).

N. I. = \$ 832.00
Y.P. @ 7% for say perpetuity = 14.286
C. V. = <u>\$11,885.95</u>

20

Amount of premium is therefore
\$11,885.95 - \$10,647.57 = \$1,238.38.

Revised Crown Rent = \$76.00 p. a.

Hon. C. S.

After prolonged negotiations, I am now in a position to report that the owners of the following sections have accepted 4 :-

Exhibits

Exhibit "A-10"

	the R. P.	
	Section B	
	Section C	
	Section D	
10	Section E	
	Section F	
	Section G	
	Section H	
	Section I	
	Section M	
	Section N	
	Section O	
	Section P	
	Section R	
	Section U	
20	Section Y	
	Section Z	
	R.P. of Section AA	
	S.S.1 of Section AA	
	S.S.2 of Section AA	

Letter from
Land Officer
to Messrs. E.C.
D'Aquino and
L.R. Illdefenso
together with
valuation
Report.

8th July 1936.
(contd.)

The owners of the following sections desire a grant of 75 years renewable on the lines of my minute of 26. 4. 36.

	Section A
	Section J
30	Section K
	Section L
	Section Q
	Section S
	Section T
	Section V
	Section W
	Section X

I understand that some of the latter owners have come to an arrangement with Hon. C. T. for the payment of premium by instalments.

Passed to Hon. C. T., who will kindly give particulars, and Hon. D. P. W.

L. O.

EXHIBIT "B-1" - Crown Lease of
K.I.L. No. 3793 - 14th July 1937.

ExhibitsExhibit "B-1"

Crown Lease
of K.I.L. No.
3793

14th July 1937.

THIS INDENTURE made the Fourteenth day of July One thousand Nine hundred and thirty seven BETWEEN Our Sovereign Lord George VI by the Grace of God of Great Britain Ireland and the British Dominions beyond the Seas King Defender of the Faith Emperor of India (hereinafter referred to as "His said Majesty" which expression shall where the context admits be deemed to include His Heirs Successors and Assigns) of the one part and Maria Ch De Yau of No.1 Salisbury Avenue Kowloon in the Colony of Hong Kong Widow (hereinafter referred to as "the said Lessee" which expression shall where the context admits be deemed to include her Executors Administrators and Assigns) of the other part WHEREAS the Governor and Commander-in-Chief of the Colony of Hong Kong and its Dependencies (hereinafter referred to as "the Governor") is duly authorised to enter into these presents in the name and on behalf of His said Majesty NOW THIS INDENTURE WITNESSETH that in consideration of the yearly rent covenants and stipulations hereinafter reserved and contained by and on the part and behalf of the said Lessee to be paid done and performed His said Majesty DOTH HEREBY GRANT AND DEMISE unto the said Lessee ALL that piece or parcel of Ground situate lying and being at Kowloon Point in the said Colony bounded on or towards the North by Salisbury Avenue and having a frontage thereto of Fifty seven feet and one inch or thereabouts on or towards the South by a Scavenging Lane and having a frontage thereto of Fifty six feet and one inch or thereabouts on or towards the East by Kowloon Inland Lot No.3794 and having a frontage thereto of Fifty seven feet and ten inches or thereabouts and on or towards the West by Carnarvon Road and having a frontage thereto of Fifty eight feet and seven inches or thereabouts which said piece or parcel of ground hereby expressed to be demised contains in the whole by admeasurement Three thousand

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two hundred and ninety three square feet or thereabouts and is more particularly delineated and described on the plan annexed hereto and thereon coloured pink and is registered in the Land Office as Kowloon Inland Lot No.3793 And all the easements and appurtenances whatsoever to the said demised premises belonging or in any-wise appertaining EXCEPT AND RESERVED unto His said Majesty all Mines Minerals Mineral Oils and Quarries of Stone in under and upon the said premises and all such Earth Soil Marl Clay Chalk Brick-earth Gravel Sand Stone and Stones and other Earths or Materials which now are or hereafter during the continuance of this demise shall be under or upon the said premises or any part or parts thereof as His said Majesty may require for the Roads Public Buildings or other Public Purposes of the said Colony of Hong Kong with full liberty of Ingress Egress and Regress to and for His said Majesty His Agents servants and workmen at reasonable times in the day during the continuance of this demise with or without horses carts carriages and all other necessary things into upon from and out of all or any part or parts of the premises hereby expressed to be demised to view dig for convert and carry away the said excepted Minerals Stone Earths and other things respectively or any part or parts thereof respectively thereby doing as little damage as possible to the said Lessee AND ALSO SAVE AND EXCEPT full power to His said Majesty to make and conduct in through and under the said premises all and any public or common sewers drains or watercourses TO SAVE AND TO HOLD the said piece or parcel of ground and premises hereby expressed to be demised with their and every of their appurtenances unto the said Lessee from the Twenty fourth day of June One thousand eight hundred and eighty eight for and during and unto the full end and term of SEVENTY FIVE YEARS from then next ensuing and fully to be complete and ended with such right of renewal for one further term of SEVENTY FIVE YEARS as is hereinafter provided YIELDING AND PAYING therefor yearly and every year during the term hereby

Exhibits

Exhibit "B-1"

Crown Lease
of K.I.L. No.
3793

14th July 1937.
(contd.)

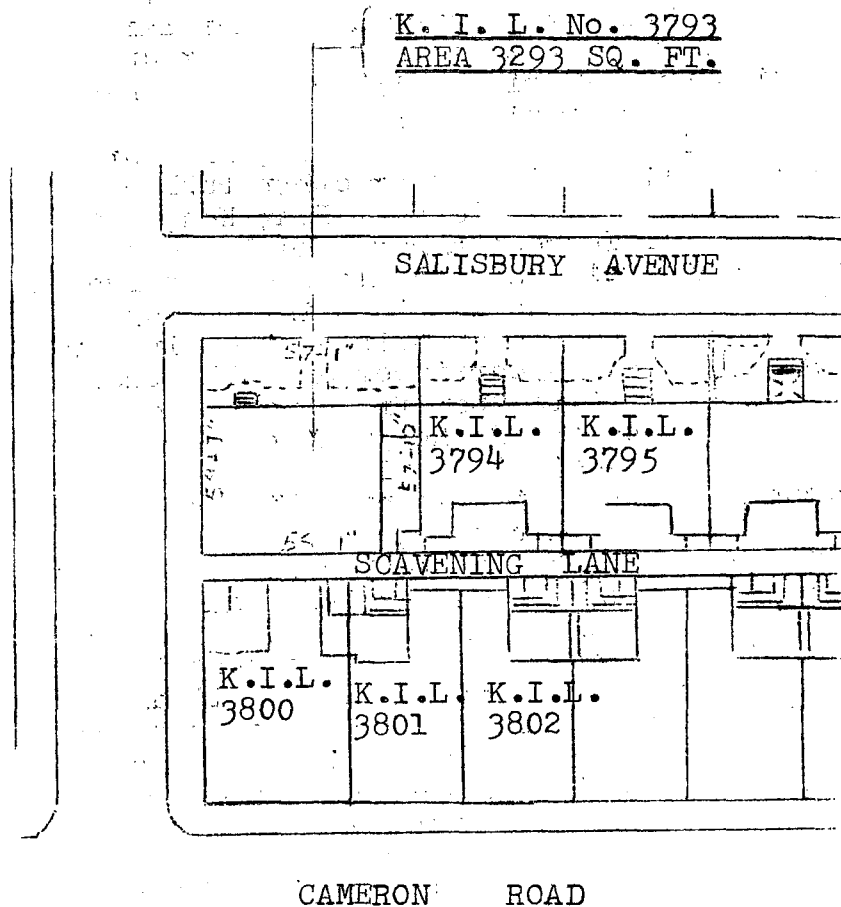
KOWLOON INLAND LOT NO. 3793

Exhibits

Exhibit "B-1"

Crown Lease
of K.I.L. No.
3793

14th July 1937.
(contd.)



(sd.)
Superintendent of
Crown Lands & Surveys

Scale 50 Ft. to One Inch

granted the sum of Seven six dollars in Current Money of the said Colony by equal half-yearly payments on the Twenty-fourth day of June and the Twenty-fifth day of December in every year free and clear of and from all Taxes Rates Charges Assessments and Deductions whatsoever charged upon or in respect of the said premises or any part thereof the first half-yearly payment of the said Rent becoming due and to be made on the Twenty fifth day of December One thousand nine hundred and Thirty seven AND the said Lessee DOTH HEREBY COVENANT with His said Majesty by these presents in manner following that is to say that the said Lessee will yearly and every year during the said term hereby granted well and truly pay or cause to be paid to His said Majesty the said yearly Rent of Seventy six dollars clear of all deductions as aforesaid on the several days and times and in the manner hereinbefore reserved and made payable AND will during the whole of the said term hereby granted bear pay and discharge all taxes rates charges and assessments whatsoever which now are or shall be hereafter assessed or charged upon or in respect of the said premises hereby expressed to be demised or any part thereof AND will during the whole of the said term hereby granted at his own proper costs and charges maintain to the value of seven thousand dollars and to the satisfaction of His said Majesty's Director of Public Works (hereinafter referred to as "the said Director") one or more good substantial and safe brick or stone messuage or tenement messuages or tenements upon some part of the ground hereby demised with proper fences walls sewers drains and all other usual and necessary appurtenances And shall and will from time to time and at all times hereafter when where and as often as need or occasion shall be and require at his her or their own proper costs and charges well and sufficiently Repair Uphold Support Maintain Pave Purge Scour Cleanse Empty Amend and keep the messuage or tenement messuages or tenements and all other erections and buildings now or at any

Exhibits

Exhibit "B-1"

 Crown Lease
 of K.I.L. No.
 3793

14th July 1937.

Exhibits

Exhibit "B-1"

Crown Lease
of K.I.L. No.
3793.

14th July 1937.
(contd.)

time hereafter standing upon the said piece or parcel of ground hereby expressed to be demised and all the Walls Banks Cuttings Hedges Ditches Rails Lights Pavements Privies Sinks Drains and Watercourses thereunto belonging and which shall in any-wise belong or appertain unto the same in by and with all and all manner of needful and necessary reparations cleansings and amendments whatsoever the whole to be done to the satisfaction of the said Director AND the said messuage or tenement messuages or tenements erections buildings and premises so being well and sufficiently repaired sustained and amended at the end or sooner determination of the term hereby granted will peaceably and quietly deliver up to His said Majesty AND will during the term hereby granted as often as need shall require bear pay and allow a reasonable share and proportion for and towards the costs and charges of making building repairing and amending all or any roads pavements channels fences and party walls draughts private or public sewers and drains requisite for or in or belonging to the said premises hereby expressed to be demised or any part thereof in common with other premises near or adjoining thereto and that such proportion shall be fixed and ascertained by the said Director and shall be recoverable in the nature of rent in arrear AND that it shall and may be lawful to and for His said Majesty by the said Director or other persons deputed to act for Him twice or oftener in every year during the said term at all reasonable times in the day to enter into and upon the said premises hereby expressed to be demised to view search and see the condition of the same and of all decays defects and wants of reparation and amendment which upon every such view shall be found to give or leave notice in writing at or upon the said premises or some part thereof unto or for the said Lessee to repair and amend the same within Three Calendar Months then next following within which time the said Lessee will repair and amend the same accordingly AND that the said Lessee or any other person or persons shall

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not nor will during the continuance of this demise use exercise or follow in or upon the said premises or any part thereof the trade or business of a Brazier Slaughterman Soap maker Sugar-baker Fellmonger Melter of tallow Oilman Butcher Distiller Victualler or Tavern-keeper Blacksmith Nightman Scavenger or any other noisy noisome or offensive trade or business whatever without the previous licence of His said Majesty signified in writing by the Governor or other person duly authorized in that behalf AND will not let underlet mortgage assign or otherwise part with all or any part of the said premises hereby expressed to be demised for all or any part of the term hereby granted without at the same time registering such alienation in the Land Office or in such other Office as may hereafter be instituted for the purposes of Registration in the said Colony and paying the prescribed fees therefor PROVIDED ALWAYS AND IT IS HEREBY AGREED AND DECLARED that in case the said yearly rent of Seventy six dollars hereinbefore reserved or any part thereof shall be in arrear and unpaid by the space of twenty one days next after any of the said days whereon the same ought to be paid as aforesaid (whether lawfully demanded or not) or in case of the breach or non-performance of any of the covenants and conditions herein contained and by or on the part of the said Lessee to be performed then and in either of the said cases it shall be lawful for His said Majesty by the Governor or other person duly authorized in that behalf into and upon the said premises hereby expressed to be demised or any part thereof in the name of the whole to re-enter and the same to have again repossess and enjoy as in His former estate as if these presents had not been made and the said Lessee and all other occupiers of the said premises thereout to expel this Indenture or anything contained herein to the contrary notwithstanding PROVIDED ALSO AND IT IS HEREBY FURTHER AGREED AND DECLARED that His said Majesty shall have full power to resume enter into and re-take possession of all or any part of the

Exhibits

Exhibit "B-1"

 Crown Lease
 of K.I.L. No.
 3793.

 14th July 1937.
 (contd.)

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Exhibits

Exhibit "B-1"

 Crown Lease
 of K.I.L. No.
 3793.

 14th July 1937.
 (contd.)

premises hereby expressed to be demised if required for the improvement of the said Colony or for any other public purpose whatsoever. Three Calendar Months' notice being given to the said Lessee of its being so required and a full and fair compensation for the said Land and the Buildings thereon being paid to the said Lessee at a Valuation to be fairly and impartially made by the said Director and upon the exercise of such power the term and estate hereby created shall respectively cease determine and be void 10

PROVIDED ALSO AND IT IS HEREBY FURTHER AGREED AND DECLARED that the said Lessee shall on the expiration of the term hereby granted be entitled to a renewed Lease of the premises hereby expressed to be demised for a further term of SEVENTY FIVE YEARS without payment of any Fine or Premium therefor and at the Rent hereinafter mentioned AND that His said Majesty will at the request and cost of the said Lessee grant unto him or them on the expiration of the term hereby granted a new Lease of the said premises for the term of Seventy five years at such Rent as shall be fairly and impartially fixed by the said Director as the fair and reasonable rental value of the ground at the date of such renewal And in all other respects such new Lease shall be granted upon the same terms and under and subject to the same reservations covenants stipulations provisoes and declarations as are contained in this present Lease with the exception of this proviso for renewal which shall not be contained in such new Lease 30

IN WITNESS whereof the Governor duly authorized by His said Majesty as aforesaid hath executed these Presents and hereunto set the Public Seal of the said Colony in the Name and on behalf of His said Majesty the day and year first above written. 40

(Sd.)

Officer Administering the Government

(Sealed)

Examined and certified to be correct

(Sd.)

Asst. Land Officer.

Registered

(Sd.)

Asst. Land Officer.

EXHIBIT "B-2" - Assignment Memorial
No.182,237 dated 27th January 1948

Exhibits

Exhibit "B-2"

Stamp Office
 13 MY 48
 HONG KONG

ADJUDICATED

I hereby certify that
 the Stamp Duty payable under Section 5A(a) of Ordinance No.8 of 1921 as amended by Ordinance No.22 of 1946 amounts to dollars Five thousand five hundred only (\$5,500.- Paid)

Assignment Mem.
 No.182,237.

27th January 1948.

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p. Collector
 13.5.48

THIS INDENTURE made the Twenty Seventh day
 of January One thousand nine
 hundred and forty eight BETWEEN: MARIA CH DE
YAU (-----) of No.1 Salisbury Avenue
 Kowloon in the Colony of Hong Kong Widow (who
 and whose executors and administrators are
 where not inapplicable hereinafter included
 under the designation "the Vendor") of the one
 part and CHANG LAN SHENG (張蘭生) of No.39
 Jervois Street (second floor) Victoria afore-
 said Gentleman (who and whose executors admin-
 istrators and assigns are where not inapplic-
 able hereinafter included under the designation"
 the Purchaser") of the other part. WHEREAS
 by a Crown Lease dated the 14th day of July
 1937 and made between His Majesty King George
 the Sixth of the one part and the Vendor of the
 other part His said Majesty demised unto the
 Vendor his executors administrators and assigns
 ALL That piece or parcel of ground situate
 lying and being at Kowloon aforesaid more part-
 icularly described in the now reciting Lease
 and registered in the Land Office of Victoria
 aforesaid as Kowloon Inland Lot No.3793 Except
 and reserved as was therein excepted and reser-
 ved from the 24th day of June 1888 for the term
 of Seventy five years with such right of renewal
 for a further term of Seventy years as therein
 provided subject to the rent and covenants
 therein reserved and contained AND WHEREAS
 the Vendor hath agreed with the Purchaser for

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Exhibits

Exhibit "B-2"

Assignment Mem.
No. 182, 237.27th January
1948.

(contd.)

the sale of the said premises to him for the price of \$80,000.00 NOW THIS INDENTURE WITNESSETH that in pursuance of such agreement and in consideration of EIGHTY THOUSAND DOLLARS (\$80,000:00) to the Vendor now paid by the Purchaser (the receipt whereof the Vendor doth hereby acknowledge) The Vendor DOth hereby assign unto the Purchaser ALL THAT the said piece or parcel of ground registered as aforesaid as KOWLOON INLAND LOT NO. 3793 TOGETHER with the messuage erections and buildings thereon known at the date hereof as No. 11 Carnarvon Road Kowloon aforesaid and all rights, rights of way (if any) privileges easements and appurtenances thereto belonging or appertaining AND all the estate right title interest property claim and demand whatsoever of the Vendor therein and thereto except and reserved as in the said Crown Lease is excepted and reserved TO HOLD the premises hereby assigned unto the Purchaser for the residue now to come and unexpired of the said term of Seventy five years with such right of renewal as aforesaid SUBJECT to the existing lettings and tenancies thereof (if any) and to the payment of the rent and the performance of the several covenants by the Lessee and conditions in and by the said Crown Lease reserved and contained AND the Vendor hereby covenants with the Purchaser that notwithstanding any act deed matter or thing by the Vendor done or knowingly omitted or suffered the rent reserved by and the Lessees covenants and condition contained in the said Crown Lease have been paid performed and observed up to the date of these presents and that the said Crown Lease is now good valid and subsisting AND that the Vendor now hath good right and full power to assign the said premises as aforesaid free from incumbrances AND that the said premises may be quietly entered into and during the residue of the said term of Seventy five years held and enjoyed without any interruption by the Vendor or any person or persons claiming through under or in trust for the Vendor AND that the Vendor and all persons claiming under or in trust for the Vendor shall during the residue of the said term of Seventy five years at the request cost and charges of the Purchaser do all acts and execute

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and sign all such assurances and things as may be reasonably required for further or better assuring all or any of the said premises unto the Purchaser AND the Purchaser hereby covenants with the Vendor that the Purchaser will during the residue of the said term of Seventy five years pay the rent and perform the covenants and conditions by and in the said Crown Lease reserved and contained and indemnify the Vendor against all actions suits expenses claims and demands on account of or in respect of the non-payment of the said rent or the non-performance of the said covenants and conditions or any of them IN WITNESS whereof the said parties have hereunto set their hands and seals the day and year first above written.

Exhibits
 Exhibit "B-2"

 Assignment Mem.
 No.182,237.

 27th January
 1948.
 (contd.)

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SIGNED SEALED and DELIVERED)
 by the Vendor (she having) Sd. Maria
 been previously identified by) Ch De Yau
) (Sealed)
 in the presence of :)

Solicitor, Hong Kong.

SIGNED SEALED and DELIVERED)
 by the Purchaser in the)
 presence of :-) Sd. Chang
) Lan Sheng
) (Sealed)

INTERPRETED by:

Clerk to Messrs. Lo and Lo,
 Solicitors, &c., Hong Kong.

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RECEIVED - on the day and year first)
 above written of and from the Purchaser the sum)
 of EIGHTY THOUSAND DOLLARS being the consider-)
 ation money above expressed to be paid by him)
 to me.)
 \$80,000.00

Witness : Sd. Maria Ch Yau

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REGISTERED at the Land Office by Memorial
 No.182,237 on Monday, the Second day of
 February, 1947, at 3 p.m.

P. Land Officer.

Exhibits

Exhibit "B-3"

EXHIBIT "B-3" - Minutes in Land
File Ref. LSO/KLT/62 relating to
Kowloon Inland Lot No.3793.

Minutes in Land
File Ref.
LSO/KET/62
relating to
Kowloon Inland
Lot No.3793.

File No. LSO 817/KLT/62

- (1) Memo 16.7.62 to R.G. (L.O.)
- (2) Memo 3.8.62 from R.G. (L.O.)

M. 1

Regrant Conference Decision

Basic Premium : \$350
Remarks :

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.....
for S.C.L. & S.
9/10/62

M. 2

3293 sq. ft. @ \$350 p.s.f. \$1,152,550
decapitalized @ 5% per
75 years .0489

56,360

Add Zone Crown Rent
3293 sq. ft. @ \$5,000 pa.p.a. 378
\$56,738
=====

M. 3

A.Q.V.S.

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Pe check Figures - calculation in
M.2 - by machine.

Sd.
13.3.63

M. 4

Mr. Lyons,

M.3 & 2 figures checked found & correct.

Sd.
13/3/63

- (4) Memo of 11/3/63 from R.G.(L.O.)

M. 5 (M.4 in L.S.O. 813/KLT/62)

For D.P.W.

1. This lot together with others the files for which are attached, was granted for a term of 75 years from 24 June 1888, renewable for a further term of 75 years and the first term expires on 23 June this year.

Exhibits

Exhibit "B-3"

Minutes in Land
File Ref.
LSO/KET/62
relating to
Kowloon Inland
Lot No. 3793

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2. In accordance with the terms of the Lease and with the agreed policy and procedure laid down at M.44 and M.45 and (206) in L.S.O. 5296/53 a new Crown Rent for the second 75 years term has now been calculated in M.2 I should be grateful if you would agree these figures as "fair and reasonable" in accordance with the policy referred to above irrespective of the R.G.'s suggested reconsideration of the policy referred to in M.55 in L.S.O.5296/53.

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3. In this particular case a separate rent for each section has been calculated as the various sections which are now in different ownership.

4. In enclose in (2) a copy of a plan and schedule showing :-

- (a) those lots the Leases of which are to be renewed edged red.
- (b) lots of which have been sold privately edged blue.
- (c) non-renewable Leases which have been regranted edged green together with figures at which these lots were sold or regranted and the dates thereof.

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5. I consider that the new Crown Rents as calculated are fair and reasonable and could be obliged if you would signify your confirmation and adoption of these figures.

Sd. R.H. Hughs

S. C. L. & S.

28/3/63.

<u>Exhibits</u>	c.c. L.S.C.	814/KLT/62
	"	815/KLT/62
Exhibit "B-3"	"	816/KLT/62
	"	817/KLT/62
-----	"	818/KLT/62
Minutes in Land	"	819/KLT/62
File Ref.	"	820/KLT/62
LSO/KET/62	"	821/KLT/62
relating to	"	203/KLT/63
Kowloon Island		
Lot No. 3793		

M. 6

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S.C.L. & S.

I have considered your valuation of \$350 per sq.ft. for this lot and have discussed it with Messrs. Hughes, Stanten and Musson. I am of the opinion that if No. 20C Carnarvon Road is correctly valued at \$400 per sq.ft. then this lot is under-valued at \$350 per sq.ft. I consider that 20C Carnarvon Road is over-valued at \$400 and I further consider that \$375 per sq. ft. is a more reasonable valuation for K.I.L. 3793.

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Sd.

D. P. W.

1.4.63.

- (5) Memo of 4/4/63 to Acct. Gen.
- (6) Memo dated 22.6.63 to Acct. Gen.
- (7) Memo of 14/11/63 from C.B.S. (K)
- (8) Memo of 30/11/63 to A.D./B.O.O.
- (9) Letter of 11/12/63 from K.F. Wong & Co.
- (10) Letter of 23.12.63 to M/S K.F. Wong & Co. 30
- (11) Copy of Form 23 of 5/6/64 from B.O.O.
- (12) Letter of 10/8/64 to M/S K.F. Wong & Co.
- (13) Letter 12/9/64 to M/S K.F. Wong & Co.
- (14) Letter 14/10/64 from M/S K.F. Wong & Co.
- (15) Letter 23/10/64 to M/S K.F. Wong & Co.
- (16) Memo 23/10/64 to C for R. & V.

(17)	Memo 18.11.64 from C.R. & V.	<u>Exhibits</u>
	Unrestricted Crown Rent (see M.6)	Exhibit "B-3"
	3293 sq.ft. @ \$375 p.s.f. 1,234,875	----
	decapitalized at 5% for 75	Minutes in Land
	years	File Ref.
		LSO/KET/62
		relating to
	Add Zone Crown Rent	Kowloon Inland
	3293 sq.ft. @ \$5,000 pa.pa.	Lot No. 3793

		=====

Checked correct

Sd.
1.12.64.

Exhibits

Exhibit "B-4"

EXHIBIT "B-4" - Mem. from Superintendent
Crown Lands & Survey to Registrar
General. - 16th July 1962

Mem. from
Superintendent
Crown Lands &
Survey to
Registrar
General

L. S. O. 817/KLT/62
Registrar General (L.O.),
Kowloon Inland Lot No. 3793

I shall be grateful if you will kindly
let me have a photostat copy of Lease Plan and
the following particulars in respect of the
above lot:-

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16th July 1962.

- (a) Name of present owner:
- (b) Address of present owner:
- (c) Locality:
- (d) Term of Lease:
- (e) Date of commencement of Lease:
- (f) Total area:
- (g) Annual Crown Rent: (Sections and
subsections if any)
- (h) Building Covenant, Amount and Period
(extensions if any)
- (i) Date of last Assignment:

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Sd.
(I.L. Stanton)
for Supt. of Crown Lands
& Survey.
16/7/62.

:k jw

EXHIBIT "B-5" - Mem. from Registrar
General to Superintendent Crown
Lands & Survey. - 3rd August 1962

Exhibits

Exhibit "B-5"

L. S. O. 817/KLT/62

Registrar General (L.O.),

Kowloon Inland Lot No. 3793

Mem. from
Registrar
General to
Superintendent
Crown Lands &
Survey

I shall be grateful if you will kindly
let me have a photostat copy of Lease Plan
and the following particulars in respect of
the above lot :-

3rd August 1962.

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- (a) Name of present owner: Chang Ian Sheng by Mem. No. 182237 dd. 27.1.48
- (b) Address of present owner: No. 39 Jervois Street 2/F, H.K.
- (c) Locality: No. 11 Carnarvon Road
- (d) Term of Lease: 75 years (renewable for 75 years)
- (e) Date of commencement of Lease: 24.6.1888
- (f) Total area: 3293 sq.ft. (as per plan)
- (g) Annual Crown Rent: (Sections and subsections if any) \$76-
- (h) Building Covenant, Amount and Period (extensions if any) held under Crown Lease dated 14.7.1937
- (i) Date of last Assignment: 27.1.48

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(chop by Crown Lands
& Survey Office)

Sd.
(I.L. Stanton)
for Supt. of Crown Lands
& Survey. 16/7/62.

S.C.L. & S.,

The particulars you require are as
above.

A photostat copy of the lease plan
is attached for refer.

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(chop by Crown Lands
& Survey Office)

Sd.
(W.L. Tse)
p. Registrar General
(Land Officer) 3.8.62

Exhibits

Exhibit "B-6"

EXHIBIT "B-6" - Mem. from Registrar
General to Director of Public Works.
11th March 1963

M E M O

Mem. from
Registrar
General to
Director of
Public Works

From Registrar General To Hon. D. P. W.,
(L.O.)
Ref. (4) In L. O. 54/589/63 Date 11/3/1963
Tel. No..... Your Ref.....In.....dated....

11th March
1963.

K.I.L.3793 - No.45 & 47 Carnarvon Rd.
(formerly known as No.11 Carnarvon Rd.)

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I forward herewith copies of correspon-
dence with Messrs. K.F. Wong & Co. Particulars
of title to the above property, free of en-
cumbrances, are as follows :-

Registered owner: Chang Lan Sheng (Assign.
Mem.182237 dd.27.1.1948)

Area : 3,293 sq. ft.

Crown Rent : \$76 p.a.

Date of C/L : 14.7.1937

Term : 75 years (renewable for one
further term of 75 years)
from 24.6.1888

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(Chop by Crown Lands &
Survey Office)

(Chop by Crown Lands
& Survey Office)

Sd.

(T. Y. Liu)

p. Registrar General
(Land Officer)

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EXHIBIT "B-7" - Mem. from Superin-
tendent Crown Lands & Survey to
Accountant General. 4th April 1963

Exhibits

Exhibit "B-7"

Supt. of Crown Lands
& Survey.

Accountant General.

(5) L.S.O. 817.KLT.62
95305

4th April, 1963.

Mem. from
Superintendent
Crown Lands &
Survey to
Accountant
General

K.I.L. 3793 - 45-47 Carnarvon Road.

4th April 1963.

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The above lot is held under a Crown
Lease for a term of 75 years from 24th June,
1888 renewable for a further term of 75 years
at a revised Crown Rent. You will appreciate
that the first term expires on the 23rd June,
1963, and no Crown Rent should therefore be
accepted in respect of any period be-yond
this date until you receive a further advice
from this office.

Sd.

(D. L. T. Musson)

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for Supt. of Crown Lands and
Survey.

DLTM:LC

EXHIBIT "B-8" - Mem. from Superin-
tendent Crown Lands & Survey to
Accountant General. - 22nd June 1963

Exhibits

Exhibit "B-8"

Mem. from
Superintendent
Crown Lands &
Survey to
Accountant
General

S.C.L. & S.

URGENT

Accountant General

LSO 817/KLT/62

22nd June, 1963.

(6) 95305

22nd June 1963.

K.I.L. 3793 - 45/47, Carnarvon Road

Further to my memo of even reference
dated 4th April 1963, if any Crown Rent is due
on 23rd June 1963 for the period ending 23rd
June 1963 this should be collected but at the
same time the lossees should be informed that
this rent is in respect of the relevant period
of the first 75 year term.

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Sd.
(J. Lyons)
for S. C L. & S.

JL/mc

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EXHIBIT "B-9" - Mem. from Chief
Building Surveyor to Senior Land
Surveyor. - 14th November 1963

Exhibits

Exhibit "B-9"

M E M O

From : Chief Building Surveyor
Senior Land Surveyor
i/c Kowloon Survey
Office.

Mem. from Chief
Building Surveyor
to Senior Land
Surveyor

Ref. : BOO 2/4155/61 14th November, 1963.

14th November 1963.

10

Subject:- 45 & 47, Carnarvon Road -
K. I. L. 3793

I should be grateful if you would carry
out a building line house on the above-mention-
ed lot, and notify me of the result at your
earliest convenience.

Sd.
(J.C. Howlett)
for Chief Building Surveyor

20

(Chop by Crown Lands &
Survey Office)

ExhibitsExhibit "B-10"

EXHIBIT "B-10" - Mem. from
 Superintendent Crown Lands &
 Survey to Commissioner for Rating
 & Valuation. - 30th November 1963

Mem. from
 Superintendent
 Crown Lands &
 Survey to
 Commissioner
 for Rating &
 Valuation

30th November
 1963.

M E M O

SVY 24

From: Supt. of Crown Lands & Survey	To: A. D. / B. O. O.
Telephone: 851883	Your Ref: - in BOO 2/4155/61
Date: 30th November, 1963	My Ref: (8) in L.S.O. 817/KLT/62

10

K.I.L. 3793 - 45 & 47, Carnarvon Road

Building lines of the houses on the
 above have been checked and found in order.

Sd.
 (T. Seach)
 for Supt. of Crown Lands & Survey.

EXHIBIT "B-11" - Mem. from Superintendent of Crown Lands & Survey to Commissioner of Rating and Valuation Department. - 23rd October 1964

Exhibits
Exhibit "B-11"

M E M O

Mem. from Superintendent of Crown Lands & Survey to Commissioner of Rating and Valuation Dept.

10

From Supt. of Crown Lands & Survey To C. for R. & V.

Ref. (16) in LSO 817/
KLT/62

Tel. No. 95223 Your Ref...in.....

Date 23rd October, 1964. dated. 23rd October 1964.

K.I.L. 3793-45 & 47 Carnarvon Road

I would be grateful if you will give me details of rents passing in respect of the above property.

Sd.
(R. E. S. LAW)
for Supt. of Crown Lands & Survey

20 RESL/im

Exhibits

Exhibit "B-12"

EXHIBIT "B-12" - Mem. from Rating
& Valuation Dept. to Superintendent
Crown Lands & Survey, - 18th
November 1964

M E M O

Mem. from Rating
& Valuation
Dept. to Supt.
Crown Lands
& Survey

From Rating & Valuation Dept. To Supt. of Crown
Lands & Survey

Ref. (81) in A.D.1058/49

Tel. No.223181

Your Ref. (16) in LSO
817/KLT/62

10

Date 18th November 1964. dated 23rd October, 1964.

18th November
1964.

K.I.L.3793 - 45-47 Carnarvon Road

The above premises have not yet been assessed to rates and an up-to-date record of rents is therefore not available at present.

However, I have been informed by the owner that the rents of some of the floors as at 10th July, 1964 were as follows:-

Grd Flr. Shop A	\$15,000 p.m. exclusive of rates.	20
First Floor	\$8,000 p.m. exclusive of rates.	
2nd Flr. Flat A	\$800 p.m. inclusive of rates.	
2nd Flr. Flat C	\$900 p.m. inclusive of rates.	
6th Flr. Flat B	\$750 p.m. inclusive of rates.	
6th Flr. Flat C	\$750 p.m. inclusive of rates.	30
7th Flr. Flat B	\$750 p.m. inclusive of rates.	

(Chop by Crown Lands
& Survey Office)

Sd.
(T.F. Edwards)
for Actg. C.R. & V.

EXHIBIT "C-1" - letter from
Messrs. K.F. Wong & Co. to
the Registrar General (Land
Officer - 25th February 1963.

- - - - -

25th February 1963.

The Registrar General,
(Land Officer),
Hong Kong.

Dear Sir,

Exhibits

Exhibit "C-1"

letter from
Messrs. K.F.
Wong & Co. to
the Registrar
General (Land
Officer)

25th February
1963

10

Re: Renewal of Crown Lease of
No.11 Carnarvon Road.

The term of the Crown Lease of the
above property is of 75 years from the
24th June 1888 with a right of Renewal for
one further term of 75 years. The term of
the first 75 years will expire on the 23rd
June 1963. We are instructed by our client,
Mr. Chang Lan Sheng, to apply to Government
(which we hereby do) for a Renewal of the
Lease in respect of our client's property
for a further term of 75 years.

20

We shall be glad if you will kindly
send us the Deed of Renewal for execution
by our client, at your earliest convenience.

Yours faithfully,

(sd.) K.F. Wong & Co.

Exhibits

Exhibit "C-2"

letter from
the Registrar
General (Land
Officer) to
Messrs. K.F.
Wong & Co.

2nd March
1963

EXHIBIT "C-2" - letter from the
Registrar General (Land Officer
to Messrs. K.F. Wong & Co. - 2nd
March 1963.

- - - - -

2nd March, 1963.

Messrs. K.F. Wong & Co.,
Solicitors,
Wing On Life Building,
Rooms 501-3,
Hong Kong.

Gentlemen,

K.I.L. 574 Sec.A R.P.

With reference to your letter of the
25th ultimo, I have to inform you that,
according to Land Office records, No.11
Carnarvon Road stands on Kowloon Inland Lot
No.574 Sec.A R.P. and is at present vested
in the Oversea Chinese Estate Co., Ltd. for
a lease term of 75 years only. It appears,
therefore, that your client Mr. Chang Lan
Sheng has no interest whatsoever of and in
the above property.

I shall be glad if you will please
clarify this matter.

I am, Gentlemen,
Your obedient servant,

(sd.) T.Y. Liu
p. Registrar General
(Land Officer)

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20

EXHIBIT "C-3" - letter from Messrs.
K.F. Wong & Co. to the Registrar
General (Land Officer) - 7th March
1963.

Exhibits

Exhibit "C-3"

7th March, 1963.

letter from
Messrs. K.F. Wong
& Co. to the
Registrar General
(Land Officer)

7th March 1963.

The Registrar General,
The Land Office,
Registrar General's Department,
Hong Kong.

10 Dear Sir,

Re: K.I.L. 574 Sec.A R.P.

With reference to your letter of the
2nd instant, we beg to inform you that our
letter of the 25th ultimo referred to K.I.
L. No.3793 (formerly known as No.11 Carnarvon
Road), which property was purchased by our
client, Mr. Chang Lan Sheng, on 27th January
1948 by an Assignment Memorial No.182,237.

Yours faithfully,

(sd.) K.F. Wong & Co.

Exhibits

Exhibit "C-4"

EXHIBIT "C-4" - letter from the Registrar General (Land Officer) to Messrs. K.F. Wong & Co. - 11th March 1963.

Letter from the Registrar General (Land Officer)

11th March 1963.

11th March, 1963.

Messrs. K.F. Wong & Co.,
Solicitors,
Wing On Life Bldg.,
Rooms 501-3,
Hong Kong.

Gentlemen,

K.I.L.3793 - 45 & 47 Carnarvon Rd.
(formerly known as No.11 Carnarvon Rd.)

With reference to your letter dated the 7th inst. I have to inform you that your application for renewal of the Crown Lease of the above property has been forwarded to the Hon. Director of Public Works for consideration and you will no doubt hear from him in due course.

I am Gentlemen,
Your obedient servant,

(sd.) T.Y. Liu

p. Registrar General
(Land Officer)

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EXHIBIT "C-5" - letter from Messrs.
K.F. Wong & Co. to the Director of
Public Works - 11th December 1963.

Exhibits

Exhibit "C-5"

11th December, 1963.

The Honorable,
Director of Public Works,
Hong Kong.

Letter from
Messrs. K.F.
Wong & Co. to
the Director of
Public Works

Sir,

Re: K.I.L.3793 - 45 & 47 Carnarvon Rd.
(formerly known as No.11 Carnarvon
Road.)

11th December
1963.

10

on the 25th February 1963, on behalf
of our client, Mr. Chang Lan Sheng, we applied
to the Registrar General for a Renewal of the
Crown Lease of the above property for a
further term of 75 years, and were informed
on the 11th March 1963 that our application
had been forwarded to you for consideration.

20

We shall therefore be glad to hear
from you hereon.

We are, Sir,

Yours faithfully,

(sd.) K.F Wong & Co.

c.c. Registrar General
(Land Office).

Exhibits

Exhibit "C-6"

Letter from
Superintendent
Crown Lands &
Survey to
Messrs. K.F.
Wong & Co.

23rd December
1963.

EXHIBIT "C-6" - letter from Super-
intendent Crown Lands & Survey to
Messrs. K.F. Wong & Co. - 23rd
December 1963.

- - - - -

23rd December, 1963.

Messrs. K.F. Wong & Co.,
Rm. 501-3, Wing On Life Bldg.,
Hong Kong.

Gentlemen,

K.I.L.3793 - 45 & 47, Carnarvon Rd.
(formerly known as No.11 Carnarvon Rd.)

10

I have to refer to your letter of the
11th December, 1963, and to inform you that
the question of renewal of your client's lease
of the above-mentioned lot is still under
consideration consequent upon Government's
announcement concerning renewable Crown Leases.

2. I trust that I will be in a position
to communicate with you further on this
matter in the near future.

20

Yours faithfully,

(sd.) D.L.T. Musson
for Supt. of Crown
Lands & Survey

EXHIBIT "C-7" - letter from Superintendent
Crown Lands & Survey to Messrs. K.F Wong
& Co. and enclosure thereto - 10th
August, 1964.

Exhibits

Exhibit "C-7"

- - - - -

10th August, 1964.

Dear Sir,

75- year Renewable Leases

Letter from
Superintendent
Crown Lands &
Survey to Messrs.
K.F Wong & Co.
and enclosure
thereto

10th August,
1964.

10

With reference to the above matter
and the recent press release regarding
alternative terms, I attach herewith the
detailed proposals for your information and
would be obliged if you would inform me
within 28 days of the date of this letter
which of the two alternatives you prefer,
so that I can take the necessary action to
renew your Crown Lease.

Yours faithfully,

(sd.) R.E.S. Law
for Supt. of Crown
Lands & Survey.

20

Messrs. K.F Wong & Co.,
Rooms 501-3,
Wing On Life Bldg.,
Hong Kong.

Exhibits

Exhibit "C-7"

Alternative Terms available to a Crown Lessee on Application for Renewal of a Lease of Land in Hong Kong and Kowloon (not including New Kowloon or the New Territories)

Letter from Superintendent Crown Lands & Survey to Messrs. K.F. Wong & Co. and enclosure thereto.

10th August, 1964.

(contd.)

At the time of expiry of the term granted by a 75-year renewable lease the lessee, under the terms of his lease, has a right to renewal for a further term of 75 years at a reassessed Crown Rent which, as stated in such lease, "shall, in the opinion of the Director of Public Works, be a fair and reasonable rent for the ground". The Director of Public Works, in accordance with legal advice, has related such reassessment of Crown Rent to the full market value of the land (excluding buildings), as restricted by the terms of the lease, at the date of renewal. The reassessed annual Crown Rent is therefore computed on the basis of such full market value decapitalised over the whole renewal period of 75 years, with interest at 5% per annum, to which an addition is made in respect of the zone Crown Rent applicable to the area of the land subject to the renewal.

10

20

2. In relation to any application for renewal made on or after the 6th August, 1963, or the negotiations in relation to which had not been completed at that date, the lessee will be offered a choice of either -

30

(a) renewal on the basis of the legal option conferred by the existing Crown Lease as mentioned above; or

(b) a new lease of the land the subject of the application for renewal, in exchange for a surrender of the existing lease, to take effect for a single term of 75 years commencing from the date of expiry of the term granted by such existing lease on the special terms and conditions which are outlined in this statement.

40

3. Any new lease granted in accordance with paragraph 2(b) of this statement will include terms to give effect to the following provisions:

Exhibits

Exhibit "C-7"

(a) The development of the lot and its user will be subject to any existing restriction.

Letter from Superintendent Crown Lands & Survey to Messrs. K.F. Wong & Co. and enclosure thereto..

(b) The development of the lot will in addition be restricted to that lawfully in existence at the date of the commencement of the term of the new grant.

10th August, 1964.

(contd.)

(c) A revised Crown Rent for the lot will be assessed based on the value of the land subject to such restrictions with an addition in respect of the normal zone rent. Subject to this variation the computation of the Crown Rent will be made in accordance with the formula mentioned in the first paragraph of this statement.

4. The new Crown Lease to be granted to lessees who opt for the concessionary terms embodied in this statement shall be in such form and shall contain such conditions, provisions, stipulations and other terms as the Land Officer considers may reasonably be required, having regard to the provisions of the existing Crown Lease and any modification thereof and to Conditions of Sale or leases by the Crown of similar property current at the time of the application for such new lease.

5. Where a new lease has been issued under the terms of paragraph 2(b) of this statement the following provisions will apply:

(a) If the provisions of the existing lease so permitted, the Government will, on the application of the lessee modify the terms of the new lease so as to permit redevelopment

Exhibits

Exhibit "C-7"

Letter from
Superintendent
Crown Lands &
Survey to
Messrs. K.F.
Wong & Co.
and enclosure
thereto.

10th August
1964.

(contd.)

of the lot or the enlargement of an existing building on the terms and conditions set out in this paragraph.

- (b) The lease will be modified to permit such redevelopment or enlargement -
- (1) Subject to the observance of limits imposed or created by legislation.
 - (2) on the lessee agreeing to the payment of a lump sum premium representing the difference between the full market value of the land restricted to the existing development and the full market value of the land after modification, such values to be assessed in relation to the values existing at the date of application for modification. 10
 - (3) The revised Crown Rent fixed at the commencement of the new term will continue in force for the remainder of the lease. 20
 - (4) The lessee will be required to pay the whole of the premium for the modification within such time as may be fixed by the government. This will in no case exceed a period of three years from the date of issue of a demand note requiring payment of the first instalment of premium nor will it be later than the date of the first assignment or underlease comprising a dealing with the property or any part thereof, whichever event shall first occur. Pending payment of the whole of the premium no mortgage of the property (other than a building mortgage which shall have been expressly approved by the Land Officer) will be permitted. During the currency of instalment 30 40

payment of premium, interest at the rate of 5% p.a. will be payable on the balance outstanding. Until further notice the premium will normally be payable by 4 equal annual instalments. The first instalment will be payable within 14 days from the issue of the demand note.

Exhibits

Exhibit "C-7"

Letter from
Superintendent
Crown Lands &
Survey to Messrs.
K.F. Wong & Co.,
and enclosure
thereto.

10

- (5) The lessee will be required to complete any redevelopment or enlargement within a time to be specified by the Director of Public Works. This period will normally be 3 years or the period allowed for the payment of premium whichever is the shorter period.

10th August
1964.

(contd.)

20

- (6) A right to re-enter shall accrue to the Crown immediately if the lessee fails to observe or does not perform any stipulation imposed as a term of the modification of the lease or if he should fail to pay the premium on the due date or if he should fail to complete the redevelopment or enlargement within the specified time.

30

- (c) Any application to the Government to sanction a change of user in relation to the whole or any part of the lot to a use which is not permitted under the terms of the lease will be considered on its merits as an issue separate from redevelopment of the lot and if permission is granted for a change of user which increases the value of the land it will be given only subject to the payment of an appropriate premium.

40

6. The new alternative method of dealing with the renewal of a renewable Crown Lease set out in this statement is a concession by Government and may be withdrawn or modified at any time.

Exhibits

Exhibit "C-8"

EXHIBIT "C-8" - letter from
Superintendent Crown Lands &
Survey to Messrs. K.F Wong
& Co. - 22nd September 1964.

- - - - -

Letter from
Superintendent
Crown Lands &
Survey to
Messrs. K.F.
Wong & Co.

22nd September, 1964.

Messrs. K.F. Wong & Co.,
Rooms 501-503,
Wing On Life Building,
Hong Kong.

22nd September
1964.

Dear Sirs,

10

K.I.L.3793 - 45 & 47 Carnarvon Rd.

With reference to my letter of the
10th August 1964, it is now over a year since
the lease expired and I should be most grateful
therefore, if you will send me your answer at
your earliest convenience.

Yours faithfully,

(sd.) R.E.S. Law
for Supt. of Crown
Lands & Survey

20

EXHIBIT "C-9" - letter from Messrs.
K.F Wong & Co. to Superintendent
Crown Lands & Survey - 14th October
1964.

Exhibits

Exhibit "C-9"

14th October, 1964.

Letter from Messrs. K.F. Wong & Co. to
Superintendent
Crown Lands & Survey

Supt. of Crown Lands & Survey,
Crown Lands & Survey office,
Public Works Department,
Hong Kong.

14th October 1964.

10 Dear Sir,

Re: K.I.L.3793 - 45 & 47 Carnarvon Rd.

We regret the delay in replying to your letter of the 10th August, 1964. Our client has just returned from a business trip to Japan where he spent four or five months visiting various parts of the country.

We are instructed by our client to enquire what would be the amount of crown rent payable in respect of the premises under

- 20 (a) the legal option
- or (b) a regrant restricting the lot to its present development.

Our client has just recently erected a new building on the premises and only the ground floors have been rented.

Yours faithfully,

(sd.) K.F Wong & Co.

Exhibits

Exhibit "C-10"

EXHIBIT "C-10" - letter from
Superintendent Crown Lands &
Survey to Messrs. K.F. Wong &
Co. - 23rd October 1964.

Letter from
Superintendent
Crown Lands &
Survey to
Messrs. K.F.
Wong & Co.

23rd October, 1964.

Messrs. K.F Wong & Co.,
Wing On Life Building,
Rooms 501-3,
hong Kong.

23rd October
1964.

Dear Sirs,

10

K.I.L.3793 - 45 & 47 Carnarvon Rd.

With reference to your letter of the
14th October 1964, I note that your clients
which to have the rents quoted both under the
legal option and under a re-grant restricting
the lot to its existing development, and I
would be most grateful if you will give me
details of the rents or premium which have
been received in respect of the ground floor.

Yours faithfully.

20

(sd.) R.E.S. Law
for Supt. of Crown Lands
& Survey

EXHIBIT "C-11" - letter from
Superintendent Crown Lands &
Survey to Messrs. K.F. Wong &
Co. - 2nd December 1964.

Exhibits

Exhibit "C-11"

2nd December, 1964.

Letter from
Superintendent
Crown Landd &
Survey to Messrs.
K.F. Wong & Co.

2nd December 1964.

Messrs. K.F Wong & Co.,
Wing On Life Building,
Rooms 501-3,
Hong Kong.

10

Re: K.I.L.3793 - 45 & 47 Carnarvon Rd.

With reference to my letter of the 23rd
October 1964. as your clients have only just
completed the redevelopment of the lot, the
restricted and the full Crown rent will be
the same and the figure is \$60,764 per annum.

2. I would be most grateful if you will
inform me within 28 days whether your clients
are prepared to accept this figure.

Yours faithfully,

20

(sd.) R.E.S. Law
for Supt. of Crown
Lands & Survey.

Exhibits

Exhibit "C-12"

EXHIBIT "C-12" - letter from Messrs. P. Remedios & Co. to Superintendent Crown Lands & Survey - 3rd December 1964.

- - - - -

Letter from Messrs.
P. Remedios & Co.
to Superintendent
Crown Lands &
Survey

3rd December, 1964.

The Supt. of Crown Lands & Survey,
Crown Lands & Survey Office,
Public Works Department,
Hong Kong.

3rd December
1964.

Dear Sir.

10

Re: K.I.L.3793 - 45 & 47 Carnarvon Rd.

1. We now act for Mr. Chang Lan Sheng in the place and stead of Messrs. K.F Wong & Co., and have seen the correspondence exchanged in this matter.

2. Reverting to the initial letters of the 25th February, and the 7th March, 1963 written by our client's former solicitors, we note in particular that notice was given to Government that our client would exercise the option to renew, for the further term of 75 years, under the existing Crown Lease of the above premises. You suddenly wrote on the 10th August, 1964 with the request that a reply be given as to which of the two alternatives was preferred under the alternative terms attached to your letter on the contention that our clients were still negotiating for a renewal.

20

3. Under the option for renewal as contained in the existing Crown Leases, the Lessee shall on the expiration of the term thereby granted be entitled to a renewed lease of the said premises therefor and at the rent therein mentioned and that the Crown will at the request and costs of the Lessee grant unto him on the expiration of the term granted by the existing Lease, a new lease of the said premises for the term of 75 years at such rent as shall be fairly and impartially fixed by the

30

Director of Public Works as the fair and reasonable rental of the ground at the date of such renewal. Our clients exercised this option in February/March 1963 and there is, therefore, no question of negotiations on the renewal at all in August 1964.

Exhibits

Exhibits "C-12"

Letter from
Messrs. P.
Remedio & Co.
to Superintendent
Crown Lands &
Survey

3rd December
1964.

(contd.)

10 4. As you are aware, the first term of 75 years expired on the 23rd June, 1963, whereupon it would appear that the date of renewal would become due the day after the expiry date.

20 5. To sum up, in these circumstances, the alternative terms mentioned above, which are expressed to be related to the applications for renewal made on or after the 6th August, 1963 or the negotiations in relation to which had not been completed at that date, would not apply to the case in point since the exercise of the option was made in February/March 1963 and in any event the first term of 75 years expired and the second term commenced in June, 1963.

30 6. We are also advised by learned Counsel Mr. Brook Bernacchi that the terms of the Crown Lease in question do not entitle the Director of Public Works to assess a fair and reasonable rental value of the ground on the basis of a decapitalisation of the full market value of the land and in fact what he is doing is to charge a fine or premium by instalments, which is contrary to the terms of the option of renewal which specify 'without payment of any fine or premium.'

40 7. Accordingly, either for reasons given under paragraph 5 and/or paragraph 6 above, we would be obliged to know what is the rent which has been fixed as the fair and reasonable rental value of the ground in June, 1963 pursuant to the terms of the option.

May we hear from you soon?

Yours faithfully,
(sd.) Philip Remedios &
Co.

Exhibits

Exhibit "C-13"

EXHIBIT "C-13" - letter from Messrs. P. Remedios & Co. to Superintendent Crown Lands & Survey - 17th December 1964.

Letter from
Messrs. P.
Remedios & Co.
to Superintendent
Crown Lands &
Survey

17th December. 1964.

The Supt. of Crown Lands
& Survey,
Crown Lands & Survey Office,
Public Works Department,
Hong Kong.

17th December
1964.

10

Dear Sir,

Re: Your Reference S17/KLT/62
K.I.L.3793 - 45 & 47 Carnarvon Rd.

We would draw your attention to paragraph (1) of our letter dated the 3rd day of December 1964. It might have crossed with your letter of the 2nd December 1964 forwarded to our client's previous solicitors, Messrs. K.F. Wong & Co. Messrs. K.F. Wong & Co. have now given our client a copy of your letter who has handed the same to us. Your letter asks our client to accept the figure of \$60,764.00 per annum as the full Crown rent. In view of your earlier correspondence we take the word "full" to mean on the basis of a decapitalization of the full market value of the land.

20

In view of the 2nd paragraph of your letter of the 2nd day of December 1964 we would ask for a reply to our letter of the 3rd day of December 1964 within this week or an extension by you of the time mentioned in your second paragraph.

30

Yours faithfully,

(sd.) Philip Remedios & Co.

EXHIBIT "C-14" - letter from
Superintendent Crown Lands &
Survey to Messrs. P. Remedios
& Co. - 21st December 1964.

Exhibits

Exhibit "C-14"

21st December, 1964.

Letter from
Superintendent
Crown Lands &
Survey to Messrs.
P. Remedios & Co.

21st December, 1964.

Messrs. Philip Remedios
& Co.,
Alexandra House,
Rooms 603-8, 6th floor,
Hong Kong.

10

Dear Sirs.

K.I.L.3793 - 45 & 47 Carnarvon Rd.

with reference to your letter of the
3rd December 1964, it would appear that
Messrs. K.F. Wong & Co. did not send you a
copy of their letter to me dated 11th December
1963 and my reply dated 23rd December 1963.
This explained why no action was taken on the
original application by your client and said
that Government was offering an alternative to
the legal option contained in the lease,
but that at the time when I wrote, namely in
December, the exact details were not known.

20

2 My letter of the 10th August 1964
contained the new terms under which Government
was prepared to renew the 75 year renewable
leases and a copy was sent to Messrs. K.F
Wong & Co. in case they wished to withdraw the
letter which they sent in February 1963.

30

3. With regard to para.4 of your letter
under notice, you are quite correct, the date
for renewal is the day after the expiry date,
namely the 24th June 1963.

4. With regard to your contention in para.
6 and 7 of your letter, this matter has
already been taken up at some length by Messrs.
Deacons when the Kowloon Dock lease has
renewed and they did, I understand, obtain
Crown Counsel's opinion from U.K. as to whether

Exhibits

Exhibit "C-14"

Letter from
 Superintendent
 Crown Lands &
 Survey to Messrs.
 P. Remedios & Co.

21st December,
 1964.

(contd.)

the crown had in fact used the correct procedure in assessing the new Crown Rent. Consequently, I regret that I am unable to amend the method of assessment. In order to prevent any confusion I can confirm that the Crown rent under the legal option was assessed at the time when the lease expired and was assessed on values current at the time.

5. If there is any further information you require on the matter, I should be very pleased to discuss the whole matter with you. My telephone number is 95223.

10

Yours faithfully,

(sd.) R.E.S Law
 for Supt. of Crown
 Lands & Survey

EXHIBIT "C-15" - letter from Messrs.
P. Remedios & Co. to Superintendent
Crown Lands & Survey - 30th December
1964

Exhibits

Exhibit "C-15"

- - - - -

30th December 1964.

Letter from
Messrs. P.
Remedios & Co.
to Superintendent
Crown Lands &
Survey

30th December
1964.

The Superintendent of Crown
Lands & Survey,
Crown Lands & Survey Office,
Public Works Department,
Hong Kong.

10

Dear Sir,

Re: K.I.L.3793 - 45 & 47 Carnarvon Rd.

We thank you for your letter dated the
21st instant upon which we have seen our
client.

2. We are instructed that at no time did
our client indicate any desire to withdraw
the letter sent in February 1963 by his former
solicitors Messrs. K.F Wong & Co, On the
other hand, our client maintains all his
contention as set out in our letter of the
3rd instant.

20

3. Further we submit that the proposed
Crown Rent of \$60,764.00 per annum is not
fixed in accordance with the terms of the
option under the Crown Lease as at the 24th
day of June 1963.

4. Without prejudice to our client's
contentions and his rights and claims herein
generally, we would be obliged if you would
kindly advise us on what basis and according
to what procedure was the Crown Rent assessed,
to enable us to consider that matter fully.

30

Please let us have your reply as
early as possible.

Yours faithfully,
(sd.) Philip Remedios & Co.

Exhibits

Exhibit "C-16"

EXHIBIT "C-16" - letter from
Superintendent Crown Lands &
Survey to Messrs. P. Remedios
& Co. - 21st January 1965.

- - - - -

Letter from
Superintendent
Crown Lands &
Survey to
Messrs. P.
Remedios & Co.

21st January 1965.

Messrs. Philip Remedios & Co.,
Alexandra House, Rooms 603-608,
6th floor,
Hong Kong.

21st January
1965.

Dear Sirs,

10

K.I.L. 3793 - 45 & 47 Carnarvon Rd.

With reference to your letter of the
3rd December 1964. I agree with the comments
in the second paragraph in that your client
did not withdraw the letter sent in February
1963.

2. With reference to the third and fourth
paragraphs of your letter, the basis on
which the new Crown rent was assessed was
explained in the standard letter which was
sent to you on 10th August 1964 and I regret
that I am unable to amplify it further.
However, it would appear that we are unlikely
to reach agreement by correspondence and I
would accordingly be most grateful if you
will arrange an interview with me so that
we can discuss the above matter. My telephone
number is 95223.

20

Yours faithfully,

(sd.) R.E.S. Law
for Supt. of Crown
Lands & Survey

30

EXHIBIT "C-20" - letter from
Superintendent Crown Lands &
Survey to Messrs. P. Mark &
Co. - 14th April 1965

Exhibits

Exhibit "C-20"

Letter from
Superintendent
Crown Lands &
Survey to Messrs.
P. Mark & Co.

14th April, 1965.

Messrs. Peter Mark & Co.,
Grand Building, 11th Floor.
15-18 Connaught Road, Central,
Hong Kong.

14th April 1965.

10 Dear Sirs,

K.I.L.3793 - 45/47 Carnarvon Road

With reference to your letter of the 2nd
April 1965, the rent for the renewal of this
lease is \$60,764 and the gross capital value
of the lot at the time when the lease fell due,
was \$375 per sq.ft. The zone Crown rent is
\$5,0000 per acre per annum.

2. I trust this is the information you
require, and would be most grateful if you could
20 give me your client's decision as soon as possible.

Yours faithfully.
(sd.) R.E.S. Law
for Supt. of Crown Lands &
Survey

Exhibits

Exhibit "C-21"

EXHIBIT "C-21" - letter from
Superintendent Crown Lands &
Survey to Messrs. Peter Mark
& Co. - 19th May 1965

Letter from
Superintendent
Crown Lands
& Survey to
Messrs. Peter
Mark & Co.

19th May, 1965.

Messrs. Peter Mark & Co.,
Grand Building, 11th Floor,
15-18 Connaught Road, Central,
Hong Kong.

Dear Sirs,

10

19th May 1965.

K.I.L.3793 - 45/47 Carnarvon Road

With reference to my letter of the 14th
April 1965, unless I hear from you within five
days I will presume that your client does not
wish to renew the lease of the lot, and advise
Government to dispose of the land.

Yours faithfully,

(sd.) R.E.W. Law
for Supt. of Crown Lands &
Survey

20

EXHIBIT "C-22" - letter from
Messrs. P. Mark & Co. to
Superintendent Crown Lands &
Survey - 25th May, 1965

Exhibits

Exhibit "C-22"

25th May, 1965.

Letter from Messrs.
Peter Mark & Co.
to Superintendent
Crown Lands & Survey

The Supt. of Crown Lands,
Crown Lands & Survey Office,
Public Works Department,
HONG KONG.

25th May 1965.

10 Dear Sir,

Re: K.I.L. No. 3793
45/47 Carnarvon Rd.

We have to acknowledge with thanks the receipt of your letter dated the 19th instant which reached our office on the 21st instant.

20

Throughout the whole of the previous correspondence exchanged with you it was categorically stated that our clients have exercised their option to renew the lease of the lot, and this position has never changed. The only outstanding issue is the difference of view over the valuation of the re-assessed annual crown Rent under the renewal option and the basis of such valuation. These matters have already been referred to Counsel Mr. Bernacchi for his advice as to what course of action to take and it is expected that Counsel will shortly give the advice sought.

Yours faithfully,

30

(sd.) Peter Mark & Co.

EXHIBIT "D" - Certificate of Claim
of Privilege

Exhibits

Exhibit "D"

IN THE SUPREME COURT OF HONG KONG
ACTION NO.1382 OF 1965.

Certificate of
Claim of
Privilege

BETWEEN: CHANG LAN SHENG Plaintiff
and
THE ATTORNEY GENERAL

I refer to the Notice to Produce Documents at Trial dated 30th January, 1967, requiring the Defendant to produce, inter alia, at the hearing of the above action "the whole file of LSO 5296/54". 10

2. I am of the opinion and hereby certify that the file required to be produced belongs to a class which on the grounds of public interest must as such be withheld from production to the court. The file contains Executive Council Minutes and policy decisions affecting land in the New Territories which, if they became known to the public, could fundamentally affect that policy. 20

3. I therefore direct that the Defendant shall claim privilege in respect of the said file required to be produced and if required he shall produce this certificate as evidence of my instructions and decision in this matter.

COLONIAL SECRETARY.

EXHIBIT "D-1" - Affidavit of M.D.
I. Gass

Exhibits

Exhibit "D-1"

IN THE SUPREME COURT OF HONG KONG
ORIGINAL JURISDICTION
ACTION NO.1382 OF 1965.

Affidavit of M.D.
I. Gass

BETWEEN:

CHANG LAN SHENG Plaintiff
and
THE ATTORNEY GENERAL Defendant

10

I, MICHAEL DAVID IRVING GASS, Colonial Secretary of Hong Kong, make oath and say as follows :-

1. I refer to certificate under my hand dated 1st February, 1967, relative to file No. L.S.O.5296/53.

20

2. I am myself of opinion that in view of the contents of the said file which include legal opinions, Executive Council papers and policy matters of a highly confidential nature it would be against public interest that they should be produced.

SWORN at the Central Govern-)
ment Offices, Victoria, Hong) (sd.) M.D.
Kong, this 2nd day of February) IRVING GASS
1967-)

Before me,

(sd.) W. HUME

A Commissioner for Oaths.

EXHIBIT "F" - Statement of
Maria Ch De Yau

Exhibits

Exhibit "F"

STATEMENT OF MARIA CH DE YAU

Statement of
Maria Ch De
Yau

1. I reside at 32, Braga Circuit, 1st floor.
2. I am now hospitalised at the St. Teresa's Hospital Prince Edward Road, Kowloon, for an indefinite period of time.
3. I was formerly the registered owner of the property situate at Carnarvon Road, Kowloon, Hong Kong and registered in the Land Office as Section Q of Kowloon Inland Lot No. 539 which I purchased in or about 1924. 10
4. In or about 1936, the Crown re-entered on the whole of Kowloon Inland Lot No.539 including my then said property and offered a new Crown Lease of the property for the then residue of the term of 75 years (commencing from 1888) with a right of renewal for a further term of 75 years after expiry of the first term of 75 years. It was a condition of the said offer that I be required to pay a premium and a revised higher Crown rent. The property was to be re-numbered as K.I.L.No. 3793. 20
5. I accepted the said offer and duly paid the premium to the Crown and thereafter the revised higher Crown Rent. I cannot remember the amounts as this matter transpired so long ago. 30
6. In or about 1948, I sold the said property to Mr. Chang Lan Seng subject to and with the benefit of the new Crown Lease of the property which was issued in 1937 after payment of the said premium.

(sd.) Maria Ch De Yau

EXHIBIT "C" - Comparative Table

Exhibits
Exhibit "G"

No.	Premises	Area	Renewable or non-renewable	Original Crown Rent	New Crown Rent Rate per sq. ft. per annum	Premium	New Agreement	Comparative Table
1 & 2	25 & 27 Carnarvon Road 25 - K.I.L. 3425 S.A. 27 - K.I.L. 3425 R.P.	3,719 sq. ft.	<u>Non-renewable</u> 75 years from 25.12.1898	\$24.00 25 \$12.50 27 \$11.50				
3.	29 Carnarvon Road - K.I.L. 3426 R.P.	1,966 sq. ft.	<u>Non-renewable</u> 75 years from 25/12/1898	\$12.00				
4.	31 Carnarvon Road K.I.L. 6538	1,965 sq. ft.	<u>Non-renewable</u> 75 years from 25/12/1898	\$12.00	\$226.00 \$0.1150	\$45,293.00 by 93 years of \$2,178.00 per year	19th March 1956 by Conditions of Regrant No. 5377	
5.	33 Carnarvon Road K.I.L. 7297	3,874 sq. ft.	<u>Non-renewable</u> 75 years from 25/12/1889 (regranted for 75 years)	\$18.00	\$444.00 \$0.1146	\$170,844.00 by 20 years of \$13,052.00 per year	19th September 1957 by Conditions of Regrant No. 5875	
6.	35 Carnarvon Road K.I.L. 7286	3,489 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1889 (regranted for 75 years)	\$16.00	\$400.00 \$0.1146	\$150,724.00 by 20 years of \$11,516.00 per year	19th September 1957 by Conditions of Regrant No. 5876	

Exhibits
 Exhibit "G"

 Comparative
 Table
 (Contd.)

No.	Premises	Area	Renewable or non-renewable	Original Crown Rent	New Crown Rent Rate per sq. ft. per annum	Premium	New Agreement
7.	37 Carnarvon Road K.I.L. 8436	1,440 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1889 (regranted for 75 years)	\$ 8.00	\$166.00 \$0.1152	\$237,826.00 by 21 years of \$24,893.00 per year	14th December 1962 by Conditions of Regrant No. 7668.
8.	39 Carnarvon Road K.I.L. 7325	1,435	<u>Non-renewable</u> 75 years from 24/6/1889 (regranted for 75 years)	\$ 6.00	\$164.00 \$0.1142	\$75,338.00 by 74 years of \$3,684.00 per year.	4th October 1957 by Conditions of Regrant No. 5874
9.	41 & 43 Carnarvon Road K.I.L. 6394	2,130 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888 (regranted for 75 years)	\$12.00	\$244.00 \$0.1145	\$42,430.00 by 10 years of \$5,232.00 per year	9th October 1953 by Conditions of Regrant No. 4965
10.	45 & 47 Carnarvon Road K.I.L. 3793	3,293 sq. ft.	<u>Renewable</u> 75 years from 24/6/1888 (renewable for 75 years)	\$76.00			Crown Lease expired on 23/6/63
11.	49 Carnarvon Road K.I.L. 3785	3,354 sq. ft.	<u>Renewable</u> 75 years from 24/6/1888 (renewable for 75 years)	\$76.00			Crown Lease expired on 23/6/63

Exhibits
Exhibit "G"

Comparative
Table
(Contd.)

No.	Premises	Area	Renewable or non-renewable	Original Crown Rent	New Crown Rent Rate per sq. ft. per annum	Premium	New Agreement
12.	51 Carnarvon Road K.I.L.7709	987 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888 (regranted for 75 years)	\$ 6.00	\$114.00 \$0.1155	\$68,955.00 by 80 years of \$3,351.00 per year.	2nd October 1958 by Conditions of Regrant No.6112
13.	53 Carnarvon Road K.I.L.8261	1,060 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888 (regranted for 75 years)	\$ 6.00	\$122.00 \$0.1150	\$196,006.00 paid on 24th August 1962.	30th May 1962 by Conditions of Regrant No.7174
14.	55 Carnarvon Road K.I.L.8826	820 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888 (regranted for 75 years)	\$ 7.00	\$94.00 \$0.1146	\$154,462.00 paid on 26th November 1963.	11th July 1963 by Conditions of Regrant No.8245
15.	57 Carnarvon Road K.I.L.9046	830 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888 (regranted for 75 years)	\$27.35	\$96.00 \$0.1156	\$171,200.00 by 21 years of \$17,896.00 per year	11th July 1963 by Conditions of Regrant No.8226
16.	59 & 61 Carnarvon Road K.I.L.8645	2,426 sq. ft.	<u>Non-renewable</u> 150 years from 24/6/1888	\$14.00	\$278.00 \$0.1145	\$389,204.00 by 21 years of \$40,804.00 per year	12th January 1963 by Conditions of Regrant No.7709

Exhibits
Exhibit

Comparat
Table
(Contd.)

No.	Premises	Area	Renewable or non-renewable	Original Crown Rent	New Crown Rent Rate per sq. ft. per annum	Premium	New Agreement
17.	14 Carnarvon Road K.I.L.8026	4,960 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888 (regranted for 75 years)	\$22.00	\$570.00 \$0.1149	(a) 30,975 (for an excess area of 177 sq. ft.) paid on 26/6/61 (b) \$137,750.00 (for the original area of 4,783 sq. ft.) by 83 years of \$6,880.00 per year	13th February 1961 by Conditions of Exchange No.6750
18.	16 Carnarvon Road K.I.L.7990	1,370 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888 (regranted for 75 years)	\$ 6.00	\$158.00 \$0.1153	\$128,819.00 by 75 years of \$6,299.00 per year	15th November 1960 by Conditions of Regrant No.6571
19.	18 & 18A Carnarvon Road K.I.L.7290	3,380 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888 (regranted for 75 years)	\$16.00	\$388.00 \$0.1147	\$168,290.00 by 75 years of \$8,230.00 per year	11th October 1957 by Conditions of Regrant No.5869
20. (a)	20 Carnarvon Road K.I.L.3753 S.A. ss.1	1,687.50 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888	\$ 7.50	---	---	Crown Lease expired on 23/6/63

No.	Premises	Area	Renewable or non-renewable	Original Crown Rent	New Crown Rent Rate per sq. ft. per annum	Premium	New Agreement
20. (b)	20A Carnarvon Road K.I.L. 3753 S.A. ss.2	1,693.75 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888	\$ 7.70	---	---	Crown Lease expired on 23/6/63
21.	20B Carnarvon Road K.I.L. 6709	1,468 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888 (regranted for 75 years)	\$ 6.00	\$168.00 \$0.1144	\$49,545.00 by 75 years of \$2,422.00 per year	3rd May 1956 by Conditions of Regrant No. 5416
22.	20C Carnarvon Road K.I.L. 3753 S.B.	1,693. 75 sq. ft.	<u>Non-renewable</u> 75 years from 24/6/1888	\$ 7.10	---	---	Crown Lease expired on 23/6/63
23. & 24.	22, 22A & 24 Carnarvon Road K.I.L. 6012 K.I.L. 6013	1,620 1,566 3,186 sq. ft.	<u>Non-renewable</u> 150 years from 24/6/1888	\$ 8.00 8.00 \$16.00	\$30.00 28.00 \$58.00 \$0.0.82	\$2,732.00 2,641.00 \$5,373.00	27th September 1948 by Conditions of Regrant No. 4356 and 27th September 1948 by Conditions of Regrant No. 4357

Exhibits

Exhibit No

Comparative
Table

(Contd.)

No.	Premises	Area	Renewable or non-renewable	Original Crown Rent	New Crown Rent Rate per sq. ft. per annum	Premium	New Agreement
25. & 26.	2, 2A Salisbury Avenue 2 - K.I.L. 3794 S.A. 2A - K.I.L. 3794 R.P.	2,257 sq.ft.	<u>Renewable</u> 75 years from 24/6/1888 (renewable for 75 years)	\$52.00	---	---	Crown Lease expired on 23/6/63
27.	3 & 3A Salisbury Avenue K.I.L.3795 R.P.	2,217 sq.ft.	<u>Renewable</u> 75 years from 24/6/1888 (renewable for 75 years)	\$50.00	---	---	Crown Lease expired on 23/6/63
28. & 29.	4 & 4A Salisbury Avenue 4 - K.I.L. 3796 R.P. 4A - K.I.L. 3796 S.A.	2,203 sq.ft.	<u>Renewable</u> 75 years from 24/6/1888 (renewable for 75 years)	\$50.00	---	---	Crown Lease expired on 23/6/63
30.	5 & 5A Salisbury Avenue K.I.L.6807	2,188 sq.ft.	<u>Non-renewable</u> 150 years from 24/6/1888	\$12.00	\$252.00 \$0.1151	\$73,845.00 by 30 years of \$4,578.00 per year	25th February 1957 by Conditions of Regrant No.5604

Exhibits
Exhibit "G"

Comparative
Table
(Contd.)

No.	Premises	Area	Renewable or non-renewable	Original Crown Rent	New Crown Rent Rate per sq. ft. per annum	Premium	New Agreement
31. & 32.	6 Salisbury Avenue K.I.L. 3798 R.P.	1,095	<u>Renewable</u> 75 years from 24/6/1888 (renewable for 75 years)	\$25.04	NOTICE: Survey of K.I.L. 9445 (formerly known as K.I.L. 3798 R.P.) has been completed by P.W.D. 7/9/1965 P.L.O.		
	6A Salis- bury Avenue K.I.L. 3798 S.A.	<u>1,092</u> 2,187 sq. ft.	<u>Renewable</u> 75 years from 24/6/1888 (renewable for 75 years)	\$24.96 \$50.00			
33.	7 Salisbury Avenue K.I.L. 3799 R.P.	1,114 sq. ft.	<u>Renewable</u> 75 years from 24/6/1888 (renewable for 75 years)	\$26.00	--	---	---
34.	7A Salisbury Avenue K.I.L. 3799 S.A.	1,110 sq. ft.	<u>Renewable</u> 75 years from 24/6/1888 (renewable for 75 years)	\$26.00	---	---	---
35.	7B & 7C Salisbury Avenue K.I.L. 9201	3,730 sq. ft.	<u>Non-renewable</u> 75 years from 25/12/1963 (regranted for 75 years)	\$18.05	<u>\$428.00</u> \$0.1147	\$505,000.00 by 21 years of \$52,975.00 per year	20th April 1964 by Conditions of Regrant No. 8528

Exhibits

Exhibit "G-5"

Conditions of
Renewal No. 5875
of K.I.L. No.
7297

19th September
1957

EXHIBIT "G-5" - Conditions of Renewal
No. 5875 of K.I.L. No. 7297 - 19th
September 1957

PARTICULARS AND CONDITIONS FOR THE
GRANT OF A NEW CROWN LEASE OF
KOWLOON INLAND LOT NO. 7297

First Schedule

PARTICULARS OF THE NEW LOT

Registered No. :	Kowloon Inland Lot No. 7297	10
Situation :	Junction of 33 Carnarvon Road and Prat Avenue	
Boundaries :	As per plan signed by the Lessee Area coloured red	
Area in sq.ft. :	3,874 approx.	
Annual Rental :	Until 23.6.64 \$18.00 Thereafter \$444.00	
Premium :	\$170,844.00	

Second Schedule

PARTICULARS OF THE OLD LOT TO BE SURRENDERED

KOWLOON INLAND LOT NO. 417 SEC. B.

GENERAL CONDITIONS

1. A Surrender to the Crown of the old lot together with all rights of way and other rights and easements (if any) used and enjoyed therewith shall be executed by the lessee at his own expense and without payment or compensation such Surrender to be made when required by and in a form to be approved by the Land Officer. 30
2. The lessee shall pay into the Government of Hong Kong the sum of \$170,844.00 as premium for the grant of the new Crown Lease by

instalments (incorporating interest at 5% per annum) in accordance with Special Condition (a) hereinafter contained.

Exhibits

Exhibit "G-5"

10 3. Crown Rent for the new lot commencing from the date of this agreement shall be as specified in the first Schedule and shall be payable by equal half-yearly payments on the 24th day of June and the 25th day of December the first half year's rent or a due proportion thereof being payable on the next half yearly date following the date hereof.

Conditions of
Renewal No.5875
of K.I.L.No.
7297

19th September
1957.
(contd.)

25th November, 1957.

Sirs,

Kowloon Inland Lot No. 7297.

20 I have the honour to refer to my letter dated 6th September, 1957 and to request your clients to pay to the Government of Hong Kong within 14 days from the date hereof the sum of \$13,052.00 being first instalment of the 20 equal annual instalments of the premium for the Grant of a new Crown Lease in respect of the above. The 2nd instalment is payable on the 23rd day of June of each succeeding year. Demand Note No. Ll-152 is attached herewith.

2. The Crown Rent being \$18.00 per annum is payable up to 23rd June 1964 and thereafter the Crown Rent will be \$444.00 per annum.

30 3. Copy of Conditions together with plan, duly completed, returned herewith.

I have the honour to be,
Sirs,
Your obedient servant,

Messrs. Kayamally Ltd. (sd.) J Lyons
Kayamally Bldg., for Director of
20, Queen's Road Central, Public Works.
Hong Kong.

Exhibits

Exhibit "G-8"

EXHIBIT "G-8" - CONDITIONS OF RENEWAL
NO. 5874 of K.I.L.No. 7325 - 4th October
1957.

Conditions of
Renewal No.
5874 of K.I.
L.No. 7325

PARTICULARS AND CONDITIONS FOR THE
GRANT OF A NEW CROWN LEASE OF
KOWLOON INLAND LOT NO. 7325.

First Schedule

PARTICULARS OF THE NEW LOT

4th October
1957.

Registered No. :	Kowloon Inland Lot No. 7325	10
Situation :	At the junction of 39 Cameron Rd. and Carnarvon Road.	
Boundaries :	As per plan signed by the Lessee	
	Area coloured red	
Area in sq. ft. :	1435 (approx.)	
Annual Rental :	Until 23.6.64 \$6.00 Thereafter \$164.00	
Premium :	\$75,338.00	20

SECOND SCHEDULE

PARTICULARS OF THE OLD LOT TO BE SURRENDERED

KOWLOON INLAND LOT NO. 417 SEC. D. ss. 1

GENERAL CONDITIONS

1. A Surrender to the Crown of the old lot together with all rights of way and other rights and easements (if any) used and enjoyed therewith shall be executed by the lessee at his own expense and without payment or compensation such Surrender to be made when required by and in a form to be approved by the Land Officer. 30
2. The lessee shall pay into the Government of Hong Kong the sum of \$75,338.00 as premium for the grant of the new Crown Lease by instalments (incorporating interest at 5% per annum) in accordance with Special Condition (a) hereinafter contained.

3. Crown Rent for the new lot commencing from the date of this agreement shall be as specified in the first Schedule and shall be payable by equal half-yearly payments on the 24th day of June and the 25th day of December the first half year's rent or a due proportion thereof being payable on the next half yearly date following the date hereof.

Exhibits

Exhibit "G-8"

Conditions of
Renewal No. 5874
of K.I.L. No.
7325

25th November 1957.

4th October 1957.
(contd.)

10

Sirs,

KOWLOON INLAND LOT NO. 7325

I have the honour to refer to my letter dated 24th September, 1957 and to request your client to pay to the Government of Hong Kong within 14 days from the date hereof the sum of \$3,684.00 being first instalment of the 74 equal annual instalments of the premium for the Grant of a new Crown Lease in respect of the above. The 2nd instalment is payable on the 23rd day of June, 1958 and subsequent instalments on the 23rd day of June of each succeeding year. Demand Note No. L1 - 155 is attached herewith.

20

2. The Crown Rent being \$6.00 per annum is payable up to 23rd June, 1964 and thereafter the Crown Rent will be \$164.00 per annum.

3. Copy of Conditions together with plans, duly completed, returned herewith.

I have the honour to be,
Sirs,

Messrs. Johnson,
Stokes & Master,
Hong Kong & Shanghai
Bank Building,
Hong Kong.

Your obedient servant,
(sd.) J Lyons
for Director of
Public Works.

30

Exhibits

Exhibit "G-10"

EXHIBIT "G-10" - Certified copy
extracted from the Land Office
Register of Kowloon Inland Lot
No. 3793

Certified copy
extracted from
the Land Office
Register of
Kowloon Inland
Lot No. 3793

Lot No. : Kowloon Inland Lot No. 3793
Locality : At the junction of Carnarvon
Road and Salisbury Avenue,
Kowloon Point.

Measurements : N. - 57' 1"
E. - 57' 10"
S. - 56' 1"
W. - 58' 7"

10

Area : 3,293 sq.ft.

Annual Rental: \$76.00

Leaseholder	No. of Memorial	Date of Deed	Date of Registry
Maria Ch De Yau			
Chang Lan Sheng	182237	27 Jan 1948	2 Feb. 1948

Crown Lease Expired 23/6/63.

Commencement of Term: 24th June 1888,
Term of years : 75 (renewable for 75
years).

20

Date of Execution
of Lease : 14th July 1937,
Date of Payment of
first half year's rent: 25th December 1937,
Lease executed: On the part of the Crown
By Norman Lockhart Smith
Esquire, O.A.G.,
Lessee By Maria Ch De
Yau.

30

604(a)

EXHIBIT "G-11" - Certified copy
extracted from the Land Office
Register of Kowloon Inland Lot
No.3785

Exhibits

Exhibit "G-11"

Certified copy
extracted from
the Land Office
Register of K.
I.L. No.3785.

Lot No. : Kowloon Inland Lot No.3785
Locality : At the junction of Carnarvon
Road and Salisbury Avenue,
Kowloon Point.

10 Measurements: N. - 57' 8"
E. - 58' 1"
S. - 57' 1"
W. - 58' 10"

Area : 3,354 sq.ft.

Annual Rental:\$76.00

Leaseholder	No. of Memorial	Date of Deed	Date of Registry
Maria. Luiza da Silva Franco			
Carlos Alberts Franco (Adminis- trator)	178791	21.7.1947	15.8.1947
Seaward Woo	179251	11.8.1947	9.9.1947
Chik Chung Wong $\frac{1}{2}$	341478	4.5.1961	25.5.1961

20

Crown Lease expired 23/6/63.

Remarks: Assignment by Seaward Woo & Chik
Chung Wong registered by Mem. No.
458527 on 26 Oct 1964. Fook Lung
Investment Company Ltd. (Purchaser)

30

Buildings Ord. No.68 of 1955, Sec.29
Modification/Exemption granted by
Building Authority's Permit No.K527/64
dated 30/11/64.

L.O. No.3876

Sd.
p. L.O.
7/12/64

Exhibits

Exhibit "G-11"

Certified copy
extracted from
the Land Office
Register of K.
I.L. No.3785.
(contd.)

NOTICE

Survey of K.I. Lot No.3785
discloses a Deficit area of 115
sq.ft. All parties dealing with
the lot should check whether
refund of premium has been paid.

13/5/1965

Sd.

P. Land Officer.

Commencement of Term: 24th June 1888,

Term of Years: 75 (~~renewable~~ for 75 years)

10

Date of Execution
of Lease:

27th October 1937,

Date of Payment of

first half year's rent: 25th December 1937,

Lease executed :

On the Part of the Crown
By Norman Lockhart Smith
Esquire, O.A.G.,

Lessee By Maria Luiza da
Silva Franco.

20

EXHIBIT "G-18" - Particulars and
Conditions of Renewal

Exhibits

Exhibit--"G-18"

Reg.No. L.S.O.No. 57/HRL/59

PARTICULARS AND CONDITIONS for the GRANT of
the Lot described in the First Scedule
hereto and shown coloured red on the attached
plan for the residue of a term of 150 years
commencing from the 24th June, 1888 at the
rent specified in such Schedule and for the
SURRENDER of the OLD LOT described in
the Second Schedule.

Particulars and
Conditions of
Renewal

10

First Schedule

PARTICULARS OF THE LOT

Registry No. : Kowloon Inland Lot No.7990

Location : 16 Carnarvon Road

Site : As delineated and coloured
Red on plan annexed hereto

Area in sq.ft. : 1370 (approx.)

Annual Rental : Until 23.6.1963 \$6.00
Thereafter \$158.00

20

Premium : \$128,819.00

Second Schedule

OLD LOT TO BE SURRENDERED

Registry No. : Kowloon Inland Lot No.1204 R.P.

Location : 16, Carnarvon Road

Area in sq.ft. : 1,519.46

SPECIAL CONDITIONS

1. The grantee shall surrender to the Crown
at his own expense the old lot described in the
second schedule hereto together with all rights
of way and other rights and easements, if any,
used and enjoyed therewith when required by and
to the satisfaction of the Registrar General
(Land Officer).

30

<u>Exhibits</u> Exhibit "G-18" ---- Particulars and Conditions of Renewal ---- (contd.)	<p>2. The grantee shall pay to Government the premium stated in the first schedule hereto by 75 equal annual instalments of \$6,299.00 (including interest at 5% per annum): The first instalment shall be paid within 14 days of the date of this agreement, the 2nd on the 15th day of November, 1961, and subsequent instalments on the 15th day of November, in each succeeding year, provided that the lessee shall be entitled at any time, on giving three months' prior notice in writing of his intention so to do, to pay off the whole of the outstanding balance of premium then due in one lump sum together with accrued interest thereon at the rate of 5% per annum to date of payment.</p> <p>3. The lot shall not be used for industrial purposes and no factory building shall be erected thereon.</p> <p>4. The grantee shall pay to the Government of Hong Kong, on demand, such sum as the Director of Public Works shall certify as being the apportioned cost of repairing, reinstating and constructing the roads, pavements, scavenging lanes, retaining walls, drains and sewers within the areas coloured green and green hatched green on the attached plan. Government shall be under no obligation to carry out this work at the request of the grantee but shall do so as and when it sees fit and until that time or until such time as the Director of Public Works shall confirm in writing his acceptance of the road as a public road, the grantee shall remain responsible for the upkeep of the roads, pavements, lanes, retaining walls, drains and sewers lying in the area coloured green hatched green.</p> <p>5. The grantee shall when required by the Director of Public Works carry out repairs and alterations to the drainage system within the lot so as to ensure that all foul and storm water is led to a public foul sewer or public storm water drain as the said Director may approve.</p>	<p>10</p> <p>20</p> <p>30</p> <p>40</p>
--	--	---

6. A filtered water supply from Government mains will be given on the usual terms and subject to the provisions of the Waterworks Ordinance or any enactment amending the same or substituted therefor.

Exhibits

Exhibit "G-18"

Particulars and
Conditions of
Renewal

(contd.)

10

7. In view of the limited water supplies in the Colony no guarantee can be given that any water which is supplied will be continuously available. The Water Authority has the right under the Waterworks Ordinance (Cap. 102) to restrict the hours of supply, which is likely to be periodically necessary, or to withhold the service in whole or in part when in his opinion the available supply is insufficient.

8. No water from Government mains shall be used for flushing purposes upon any part of the lot without the written consent of the Water Authority.

20

In the event of re-development the following Conditions will apply:-

30

9. All rain and surface water from the lot and from balconies or verandahs or other projections over Crown Land shall be trapped within the boundaries of the lot (except where specifically excepted by the Director of Public Works) and shall thence be conveyed in a pipe connected directly to the public drainage system in a manner to be approved by the Director of Public Works. Where, with the written approval of the said Director, the trap is sited outside the lot it shall be constructed by Government thereafter.

Exhibits

Exhibit "G-19"

EXHIBIT "G-19" - Conditions of
Renewal No. 5869 of K.I.L. No. 7290
- 11th October 1957

Ref. No. L.S.O. 26/5135/54

Conditions of
Renewal No.
5869 of K.I.
L. No. 7290

PARTICULARS AND CONDITIONS FOR THE GRANT
OF A NEW CROWN LEASE OF Kowloon Inland
LOT NO. 7290

First Schedule

11th October
1957.

PARTICULARS OF THE NEW LOT

Registered No. :	Kowloon Inland Lot No. 7290	10
Situation :	Carnavon Road	
Boundaries :	As per plan signed by the lessee Area coloured red	
Area in sq. ft. :	3380 (about)	
Annual Rental :	Until 23.6.63 \$16.00 thereafter \$ 388.00	
Premium :	\$168,290.00	

Second Schedule

PARTICULARS OF THE OLD LOT TO
BE SURRENDERED

20

Kowloon Inland LOT NO. 3753, Sec. E

GENERAL CONDITIONS

1. A Surrender to the Crown of the old lot together with all rights of way and other rights and easements (if any) used and enjoyed therewith shall be executed by the lessee at his own expense and without payment or compensation such Surrender to be made when required by and in a form to be approved by the Land Officer. 30
2. The lessee shall pay into the Government of Hong Kong the of \$ 168,290.00 as premium for the grant of the new Crown Lease by instalments (incorporating interest at 5% per

annum) in accordance with Special Condition (a) hereinafter contained.

Exhibits

Exhibit "G-19"

10 3. Crown Rent for the new lot commencing from the date of this agreement shall be as specified in the first Schedule and shall be payable by equal half-yearly payments on the 24th day of June and the 25th day of December the first half year's rent or a due proportion thereof being payable on the next half yearly date following the date hereof.

Conditions of Renewal No. 5869 of K.I.L. No.7290

11th October 1957.

21 November, 1957.

Sirs,

Kowloon Inland Lot No.7290

(contd.)

20 I have the honour to refer to my letter dated 5th September, 1957 and to request your client to pay to the Government of Hong Kong within 14 days from the date hereof the sum of \$8,230.00 being first instalment of the 75 equal annual instalments of the premium for the Grant of a new Crown Lease in respect of the above. The 2nd instalment is payable on the 24th day of June, 1958 and subsequent instalments on the 24th day of June of each succeeding year. Demand Note No.L1 - 144 is attached herewith.

2. The Crown Rent for the lot, viz: \$16.00 per annum is payable up to 23rd June, 1963 and thereafter the Crown Rent will be \$388.00 per annum.

30 3. Copy of Conditions together with plan, duly completed, returned herewith.

Messrs. Hastings & Co., I have the honour to be,
Marina House, Sirs,
1st floor, Your obedient servant,
Hong Kong.

(sd.) J. Lyons
for Director of
Public Works.

609(a)

Exhibits

Exhibit "G-27"

Certified copy
extracted from
the Land Office
Register of K.
I.L.No.3795

EXHIBIT "G-27" - Certified
copy extracted from the
Land Office Register of
Kowloon Inland Lot No.3795.

Lot No.: Kowloon Inland Lot No.3795.

Locality : Salisbury Avenue, Kowloon Point.

Measurements : N. - 38'7"
 E. - 57'2"
 S. - 38'9"
 W. - 57'6"

10

Area : 2,217 sq.ft.

Annual Rental : \$50.00.

Leaseholder	No. of Memorial	Date of Deed	Date of Registry
Eneas Goulartt D'Aquino			
Eugenia guilh- ermina L'Aquino (Administratrix)	187608	10 Nov. 1948.	26 Nov. 1948.
Leung Mun	192175	13 July 1949.	16 July 1949.
Lo To	198310	10 June 1950.	12 June 1950

20

Crown Lease expired 23/6/63.

Remarks : Buildings Ord. No.68 of 1955, Sec.29.
Modification/Exemption granted by
Building Authority's Permit No.
K 61/58 dated 10/3/58.

L.O.No.1098

(signed)
P.L.O.
21/10/58.

30

609(b)

Buildings Ord. No. 68 of 1955, Sec. 29
Modification/Exemption granted by
Building Authority's Permit No.
K 4/60 dated 16/1/60.

L.O. No. 1824 (signed)
P.L.O.
20/5/60

Exhibits

Exhibit "G-27"

Certified copy
extracted from
the Land Office
Register of K.I.
L. No. 3795.

(contd.)

NOTICE

10

Survey of K.I.L. No. 3795 discloses
a Deficit area of 78 sq. ft. All
parties dealing with the lot
should check whether refund of
premium due has been paid.

(signed)
P.L.O.
8/2/1965

Commencement of Term : 24th June 1888.

Term of Years : 75 (renewable for
75 years)

20 Date of Execution of Lease : 12th July 1938.

Date of Payment of
First half year's rent: 25th December 1938.

Lease executed : On the Part of the
Crown By Norman
Lockhart Smith Esq.,
O.A.G.;

Lessee By Eneas
Goulartt D'Aquino.

Exhibits

Exhibit "I-2"

EXHIBIT "I-2" -
Memorandum - 7.8.1956.-----
MemorandumDisposal of Crown Land Premia and
Crown Rents.-----
7.8.1956.

This memorandum deals with the disposal of Crown Land and provides information showing how the practice arose of disposing of land at low or practical nominal Crown rent. It necessarily contains details of the early history of land policy in the Colony.

10

2. The Island of Hong Kong was peacefully occupied by British Forces and possession taken on behalf of the Crown on 26th January, 1841 and its cession to the Crown was confirmed by the Treaty of Nanking in August, 1842.

3. By Public Notice dated 1st May, 1841 the Chief Supt. of Trade announced that arrangements had been made to dispose of allotment of land subject to a condition that a building of a certain value be erected thereon and stating further that "each allotment to be put up at public auction at a certain upset rate of quit rent and to be disposed of to the highest bidder; but it is engaged upon the part of Her Majesty's Government, that persons taking land upon these terms shall have the privilege of purchasing in freehold (if that tenure shall hereafter be offered by Her Majesty's Government), or of continuing to hold upon the original quit rent, if that condition be better liked,"

20

30

4. In a Public Notice of 7th June, 1841 it was stated 100 lots having a water frontage would be sold at auction on the 12th of June later postponed to 14th June and Condition of the Terms of Sale reads as follows :-

"The biddings are to be for annual rate of quit rent and shall be made in pounds sterling, the dollar in all payments to be computed at the rate of 4s.43. The upset

40

price will be £10 for each lot, the biddings to advance by 10s.

Exhibits

Exhibit "I-2"

5. In a letter of 17th June, 1841 addressed to Messrs. Jardine, Matheson & Co. and Messrs. Dent & Co. and published in the Hong Kong Gazette of 25th June, 1855 Sir Charles Elliot wrote as follows :

Memorandum

7.8.1956.

(contd.)

10

"Gentlemen, - Having had under my consideration the particulars of the first sale of lots in Hongkong on the 14th instant I am of opinion that I shall be consulting the best interests of the establishment in making immediate public declaration of any purpose to move Her Majesty's Government, either to pass the lands in fee simple for one or two years purchase at the late rates, or to charge them in future at no more than a nominal quit rent, if that tenure continue to obtain.

2)

"My own object respecting the disposal of lands, pending the pleasure of Her Majesty's Government, was, to secure to firms and all other persons, British and Foreigners, having permanent interests in the country, sufficient space for their necessities at moderate rates, with as little competition as might enable parties to accommodate themselves according to their respective wants.

30

"I feel assured, upon attentive reflection, that steady adherence to this rule will be found most conducive to the fair claims of persons on the spot. Parties falling within this description I have specified, not yet supplied with lots, will be in a situation to accommodate themselves.

"May I request you, Gentlemen, to circulate this letter and have, etc.

40

6. It appears however that following the sales on 14th June, 1841 it was decided to sell lands for building purposes at fixed Crown rents and without public competition and an announcement to this effect was made on 15th October, 1841 informing all interested to make application in person to the Land Officer. The terms of sale were based on an

Exhibits

Exhibit "I-2"

Memorandum

7 .8.1956.
(contd.)

average of the rentals realised of the sales on 14th June,

7. Considerable difficulties appear to have arisen concerning the boundaries of the lots sold since no lease or other deed was issued to the purchaser, the grant being simply an entry in a book kept by the Land Officer giving the name of the purchaser and the side measurements of the land. To overcome these difficulties a Committee was appointed on 29th March, 1842 to investigate all claims of land but unfortunately this Committee appears to have made no report and by a Notification of 2nd May, 1842 signed by the Land Officer it was stated that all sales of land by holders of existing grants must be registered in the Land Office. Two weeks afterwards however the post of Land Officer was temporarily abolished and further grants of land prohibited and on the 27th May, 1842 a Land and Road Inspector was appointed to register all sales and transfers of land, to prevent encroachments on unappropriated Crown land and set aside land for barracks and other military buildings.

10

8. The Royal Charter establishing the Colony of Hong Kong was issued on 5th April, 1843 almost 2 years after the first land sale and gave full power and authority to the Governor of the Colony for the time being to make and execute grants of land in Her Majesty's name. Royal Instructions also dated 5th April, 1843 with reference to the disposal of Crown lands direct as follows :-

30

"And it is our further Will and pleasure that no such lands shall be sold or let except at public auction; and that at every such auction, the lands to be then sold or let, be put up at a reserved, or minimum price equal to the fair reasonable price and value or annual rent thereof".

40

These instructions also provided for the setting aside of land for public purposes.

9. On 10th April, 1843 all progress on buildings were ordered to be stopped and all persons holding land were required to submit

full proff of their claims to the Land Officer. In August, 1843 the Secretary of State instructed that land should be alienated for no longer than was necessary to induce the erection of substantial buildings and refused to sanction such grants as had already been made without further enquiry. Accordingly a Committee was set up "to enquire into the equitable claims of all Holders of Lands, to define the classes to which particular lots shall henceforward belong, as well as their future annual rent, and to arrange for the disposal of further lots regarding which Her Majesty's instructions prescribe :- And it is Our further Will and pleasure that no such lands shall be sold or let, except at public auction; and that at every such auction, the lands to be then sold or let, be put up at a reserved, or minimum price equal to the fair reasonable price and value or annual rent thereof"

Exhibits

Exhibit "I-2"

Memorandum

7.8.1956.

(contd.)

On 4th January, 1844 the Committee reported that the average annual rental of Marine Lots was £350 per acre, and recommended that these lots should be recognised and further lots sold for a lease period of 75 years. With regard to the Inland Town Lots the Committee considered that the lots sold without competition were granted at too low a rental and recommended that such lots be subdivided into various classes bearing annual rentals from £160 to 10sh. per acre.

10. In 1847 complaints were made concerning the high Crown rents and the Secretary of State concurred in a recommendation that the term of 75 years should be increased to a period of 999 years and on 3rd March 1849 the following announcement was made.

Government Notification of 3rd March,
1849.

"It is hereby notified that, under instructions from Her Majesty's Principal Secretary of State for the Colonies, all Crown Leases heretofore granted for a term of 75 years may be extended for a further term of 924 years.

Exhibits

Exhibit "I-2" -

Memorandum

7.8.1956.

(contd.)

"All Tenants of the Crown who may be desirous of availing themselves of the above concession will, on application at the Surveyor General's Office, receive the directions necessary to enable them to obtain a prolongation of their respective Leases in conformity with the above instructions."

By Order,

(Signed), W. CAINE,

Colonial Secretary.

10

11. Further complaints continued to be made by land owners against the level of Crown rent and in a despatch of 2nd January 1851 the Secretary of State stated that "after a careful consideration of the papers before him, and as regarded the system of selling Crown Lands to the highest bidder of an annual rent stated he was decidedly of opinion that, in future, biddings for Crown Lands should not be in the form of an advance of rent, but that any such property should be offered for lease at a moderate rent to be determined by the Crown Surveyor and that the competition should be in the amount to be paid down as a premium for the lease at the rent so reserved by parties desiring to obtain it".

20

12. Between 1875 and 1880 or thereabout the issue of 999 years leases except in special cases and 75 year leases without the option of renewal were introduced. The issue of these leases continued until about 1898 when the standard period became 75 years renewable for a further 75 years at "such rent as shall be fairly and impartially fixed by the Surveyor to his Majesty as the fair and reasonable rental value of the ground at the date of such renewal".

30

13. The practice of selling land at a low annual Crown rent which started from the Secretary of State Despatch of 1851 has continued unchanged to the present day. It has been suggested although no specific evidence has

40

been found in support of this that the reason for this may have been related to the system of assessing military contributions. These contributions at least after 1898 were charged as a percentage of the revenue of the Colony, such revenue including Crown rents but not premia. It was clearly to the advantage of the Colony therefore to obtain as high premia as possible and this could best be done by selling land at public auction at a low or nominal Crown rent. This argument even if it once applied does not of course apply to day.

10

Exhibits

Exhibit "I-2"

Memorandum

7.8.1956.

(contd.)

14. There would appear to be little doubt that it would be in the interest of the Colony generally to raise the level of Crown rent in all future sales more nearly to the annual economic value. The main advantages which would arise from such change are:-

20

i) Very much less difficulty in affecting the reassessment of Crown rent for the second period of the 75 + 75 and 75 + 24 renewable leases.

ii) Reduction in cost of resumption for improvements, etc. in respect of leases subject to the higher rent.

30

iii) A reduction in capital necessary for the purchase and development of Crown land.

40

15. No administrative difficulty prevents the upward revision of Crown Rent for new lots as sold since it has been the practice to make such adjustments from time to time - the most recent revision being carried out by this Department in 1947. Technically of course, a greater degree of precision would be required than was necessary to establish the low Arbitrary Zone Crown Rents in use at the present time.

Sd.

Ag. Asst. Supt. of Crown Lands.

7/8/56.

616.

EXHIBIT "J" - File No. C.S.O. 1413/25

Exhibits

Exhibit "J"

No. 1413/1925

File No. C.S.O.
1413/25

From: Messrs. Hongkong Land Investment
& Agency Co. Ltd.

Place: Hongkong.

Date: 18th June 1925.

Received: 20th June 1925.

SUBJECT:

Application for an extension of
75 year Crown Lease for R. B.
Lot No. 82 expiring in 1952.

10

Method of determining the premium to be paid upon the Grant of a right of renewal for a further term of 75 years to leasees who hold leases for 75 years (non-renewable) expiring within the next 30 or 40 years.

Exhibits:

Exhibit "J"

File No.C.S.O.
1413/25

1. Assume a typical case as under :-

(a) Existing Lease terms

(contd.)

Lease for a term of 75 years (non-renewable)

10

dating from 1886.

Crown Rent = \$5.00 per annum.

Building covenant = \$5,000.

The gross annual rental value of the demised premises = \$3,000

The net income derived therefrom

by the lessee = \$2,500 (\$3,000 less \$500 for Crown Rent, Insurance & Repairs).

(b) Proposed terms upon grant of right of renewal

20

New lease to be granted for 75 years from 1886 with right of renewal for a further term of 75 years.

Amended Crown Rent of \$50 per annum (at day, rate of \$250 per acre) to be charged comes from present time.

New building covenant of \$20,000 to be imposed.

2. The value of Government's present interest in the property consists of :-

30

(i) Crown Rent of \$5.00 per annum receivable for 35 years
Valued @ \$5.00 x 16.37419
(Y.P. for 35 years on 5% tables) - \$ 81.87

(ii) Reversion to net income of \$2,505 (Present gross rental value of property less insurance & repairs but not Crown Rent).

40

618.

C/F \$ 31.87

Exhibits

Exhibit "J"

File No. C.S.O.
1413/25

(contd.)

Value as under :-

Y.P. for perpetuity

@ 7% .. 14.28571

Y.P. for 35

years @ 7% .. 12.94767

\$2,505 x 1.33804 1.33804

- 3,351.79

\$3,433.66

=====

3. The value of Government's interest in the property on the grant of the right of renewal is :-

10

Crown Rent of \$50 per annum
for 35 - 75 .. 110 years,

taken as equivalent to

perpetuity @ 5% = 50 x 20 - \$1,000

=====

Note the reversion is too remote to have any appreciable value.

4. The difference between the valuation of \$3,433.66 in (3) and the valuation of \$1,000 in (2), viz. \$2,433.66, is the amount of premium which should be paid by the leases.

20

sd. A. Kirk.

R.O.

20.4.26.

EXHIBIT "K-3" - Schedule of
Agreed Ground Rents

Exhibits

Exhibit "K-3"

Schedule of
Agreed Ground
Rents

75 Year Renewal Leases
Schedule of Agreed Ground Rents (All Leases expired on 23.6.63)
(Shown coloured red on Plans Nos. 196 NE 6, 179 SE 16 & 180 SW 13)

No. on Plan 196 NE 6	Lot No.	Address	Area in sq. ft.	Street Width	Capital value per sq. ft.	Ground Rent		Remarks
						Option (a) (Legal Option included to Zone Crown Rent)	Option (b) (Restricted to existing dev.)	
(1)	K. I. L. 3785	49 Carnarvon Road	3,239	45 ft. to Carnarvon Road	\$375	\$59,767	-	Corner site on 2 streets
(2)	K. I. L. 3794 S. A.	2 Salisbury Ave.	1,141	30 ft.	-	\$10,588		Site on one street
(3)	K. I. L. 3795 R. P.	3 Salisbury Ave.	2,217	30 ft.	\$200	\$21,936	-	Site on one street
(4)	K. I. L. 3798 R. P.	6 Salisbury Ave.	1,092	30 ft.	-		\$ 8,912	Site on one street
(5)	K. I. L. 3799 R. P.	7 Salisbury Ave.	1,069	30 ft.	-		\$ 9,500	Site on one street
(6)	K. I. L. 3799 S. A.	7A Salisbury Ave.	1,060	30 ft.	-		\$ 6,426	Site on one street

No. on Plan 196 NE 6	Lot No.	Address	Area in sq. ft.	Street Width	Capital value per sq. ft.	Ground Rent		Remarks
						Option (a) (Legal Option inc. Zone Crown Rent)	Option (b) (Restrict- ted to existing dev.)	
(7)	K. I. L. 3787	12/12A Salisbury Ave	1,480	30 ft.	-	-	\$12,922	Site on one street
(8)	K. I. L. 3784 S. D. R. P.	34 Granville Road	2,672	49 ft.	-	-	\$11,590	Site on one street
(9)	K. I. L. 3784 S. D. ss. 1	36 Granville Road	2,507	49 ft.	-	-	\$11,590	Site on one street
(10)	K. I. L. 3784 S. C.	38 Granville Road	2,494	49 ft.	-	-	\$11,590	Site on one street
(11)	K. I. L. 3784 S. G.	40 Granville Road	2,480	49 ft.	-	-	\$11,590	Site on one street
(12)	K. I. L. 3784 S. H.	42 Granville Road	2,464	49 ft.	-	-	\$11,590	Site on one street
(13)	K. I. L. 3784 R. P.	44 Granville Road	2,451	49 ft.	-	-	\$11,590	Site on one street
(14)	K. I. L. 3784 R. P.	46 Granville Road	2,435	49 ft.	-	-	\$9,094	Site on one street
179 SE 16 180 SW 13	H. H. I. L. 256	H. K. & Whampoa Dock Street/ Dyer Avenue	402,000	Not applicable	\$30.75	\$360,758	-	Site on one street for purposes of the Buildings Ord. 1955 (1960 reprint)

Exhibits

Exhibit "K-3"

Schedule of
Agreed Ground
Rents
(contd.)

621.

EXHIBIT "K-5" - letter from Messrs.
Johnson, Stokes & Master to The
Superintendent, Crown Lands & Survey
Office - 23rd July, 1964.

Exhibits

Exhibit "K-5"

23rd July, 1964.

The Superintendent,
Crown Lands & Survey Office,
Public Works Department,
Hong Kong.

Letter from Messrs.
Johnson, Stokes &
Master to the Supt.,
Crown Lands & Survey
Office

23rd July, 1964

10 Dear Sir,

K.I.L. 3785 - 49 Carnarvon Road.

20

With reference to your letter of the
26th June, whilst our client considers that
the Crown rent as reassessed by you is
extremely high we are instructed to accept
the reassessed Crown rent in the figure of
\$61,880.00 per annum and to press for early
documentation of the rent as hereby agreed. It
would seem to us that no new Crown lease as
such is necessary and we are not entirely
sure what documentation is required. Perhaps
you would be good enough to let us know what
steps are necessary on our part to complete
the title to the renewed term.

30

Our clients intend developing the
property into individual flats and we would
ask you to confirm that upon the lot being
split into separate flats demand notes for
the separate portions of the Crown rent
attributable to the various flat will be sent
to the individual flat owners in accordance
with their shares in the lot.

Yours faithfully,

(sd.) Johnson Stokes
& Master

c.c. Mr. S.W. Tsang

Exhibits

Exhibit "K-7"

EXHIBIT "K-7" - letter from The Superintendent of Crown Lands & Survey to Mr. Lo To of Cheoy Lee Shipyard - 5th March, 1964.

- - - - -

Letter from The Supt. of Crown Lands & Survey to Mr. Lo To of Cheoy Lee Shipyard.

5th March, 1964.

Mr. LO To,
Cheoy Lee Shipyard,
P.O. Box 5643,
Kowloon.

5th March 1964.

Dear Sir,

10

K.I.L.No.3795 - 3, Salisbury Avenue.

With reference to your letter of the 26th February, 1964, I have to inform you that the Director of Public Works has assessed the new Crown rent with effect from the 24th June, 1963, at \$21,936 per annum. If this is acceptable, I will make the necessary arrangements for the Demand Note to be issued in respect of the overdue rent.

Yours faithfully,

20

Answered by..... (sd.) R.E.S. Law
for Supt. of Crown
Lands & Survey-

623.

EXHIBIT "K-8" - letter from Cheoy
Lee Shipyard to The Superintendent
of Crown Lands & Survey Office -
8th September, 1964.

Exhibits

Exhibit "K-8"

8th September, 1964.

The Superintendent of
Crown Lands & Survey,
Crown Lands & Survey Office,
Public Works Department,
Hong Kong.

Letter from Cheoy
Lee Shipyard to
The Supt. of Crown
Lands & Survey
Office

8th September 1964

10 Attention: Mr. R.E.S. Law

Dear Sir,

K.I.L. No.3795 - 3, Salisbury Avenue.

I acknowledge receipt of your letter
of the 7th August advising that you were
unable to reduce the rent contained in your
letter of the 5th March, 1964. Accordingly,
I have no alternative but to indicate my
acceptance of the terms contained in your
letter of the 5th March.

20 Yours sincerely,

(sd.) Mr. Lo To

Exhibits

Exhibit "K-9"

EXHIBIT "K-9" - letter from Messrs.
Deacons to The Superintendent of
Crown Lands & Survey Department
- 22nd February, 1962.

Letter from Messrs.
Deacons to the
Supt. of Crown
Lands & Survey
Department

22nd February 1962.

The Superintendent of Crown
Lands,
Crown Lands & Survey Dept.,
Central Government Offices,
Hong Kong.

22nd February
1962.

10

Dear Sir,

Re: H.H.I.L. No.256.

With reference to your letter of the
1st November, we are instructed to inform
you that our clients have decided to accept
the revised Crown Rent of \$360,758.00 per
annum and not to proceed with the proceedings
previously contemplated to challenge the
assessment.

We should be obliged, therefore, if
you would kindly put in hand the preparation
of the necessary documents for the renewed
Lease at the above rent.

20

Yours faithfully,

(sd.) Deacons

625.

EXHIBIT "K-12" - letter from P.H.Sin
& Co. to The Building Authority -
20th December, 1965.

Exhibits
Exhibit "K-12"

20th December 1965. -----

The Building Authority,
Building Ordinance Office,
Kowloon Office,
Government Branch Offices,
2nd & 3rd floors,
Farm Road,
Kowloon.

Letter from P.H.
Sin & Co. to The
Building Authority

20th December 1965.

10

Dear Sir,

K.I.L. No.3785 - 49 Carnarvon Road.

We act for Messrs. Fook Lung Investment
Co. Ltd. owners of the above property.

Our clients inform us that they have
completed the erection of the said building in
accordance with building covenants, but
according to the version of their architects,
Messrs. Wong & Ng, you have withheld the
issuance of the occupation permit to them on
the ground that our clients have not executed
the new Crown Lease.

20

We would respectfully submit that the
execution of the Crown Lease has nothing to
do with the issuance of the occupation permit,
and as our clients have complied with the
building covenants you are in duty bound to
issue a certificate of occupation. The non-
issuance of such a certificate is causing
serious loss to our clients who cannot rent
the premises out hence there has occasioned
considerable loss of revenue since the
completion of the building.

30

Our clients have accepted without
reservation of the reassessed Crown Rent at
the figure of \$61,880.00 and have in fact
made 3 payments thereunder. We enclose herewith

Exhibits

photostat copies of two letters which are self explanatory.

Exhibit "K-12"

Letter from P.H.
Sin & Co. to the
Building Authority

In the circumstances we shall be glad to hear that you are prepared to issue the necessary occupation permit to our clients without further delay.

Yours faithfully,

20th December 1965.

(sd.) P.H. Sin & Co.

(contd.)

EXHIBIT "K-13" - letter from P.H.
Sin & Co. to The Building Authority
- 31st December 1965.

Exhibits

Exhibit "K-13"

31st December 1965.

Letter from P.H.
Sin & Co. to the
Building Authority

The Building Authority,
Building Ordinance Office,
Kowloon Office,
Government Branch Offices,
2nd & 3rd floors,
Farm Road,
Kowloon.

31st December 1965

10

Dear Sir,

K.I.L. No.3785 - 49 Carnarvon Road.

Further to our letter to you dated the
20th instant we are instructed by our clients
Messrs. Fook Lung Investment Co. Ltd. to
confirm the following, viz.:-

20

1. That they accept the covenants and
conditions contained in the Crown
Lease of the above lot.
2. That they are prepared to execute
the said Crown Lease and
3. That they undertake to pay the
reassessed Crown Rent from time to
time when the same become due and
payable.

We shall be glad therefore to hear
that you are now in a position to issue the
occupation permit to our clients.

30

Yours faithfully,

(sd.) P.H. Sin & Co.

Exhibits

Exhibit "K-15"

EXHIBIT "K-15" - Occupation Permit
from the Building Authority to Fook
Lung Investment Co. Ltd. - 10th
January, 1966.

Occupation Permit
from the Building
Authority to
Fook Lung Invest.
Co. Ltd.

Permit No. : K 15/66

B.O.O. Ref. No.: 2/4910/62

To : Fook Lung Investment
Co. Ltd., c/o Mr. Ng
Chun Man, 607 Gloucester
Bldg., Hong Kong.

10th January 1966.

OFFICE OF THE BUILDING
AUTHORITY

10th January, 1966.

I hereby permit the occupation of the
new building (number and name of street) at
49 Carnarvon Road

on (Lot No.K.I.L. No.3785) for the following
purposes :-

Ground floor : 2 shops for non-
domestic use.

1st & 2nd floors : 2 offices per
floor for non-domestic
use.

3rd - 10th floors: 3 E.T. Flats per
floor for domestic use.

(sd.) _____

Pro. Building Authority

10

20

EXHIBIT "L" - File L.S.O. 5289/57

Exhibits

Exhibit "L"

L A N D

File L.S.O. 5289/57

Lot:

L.S.O. 5289/57

Date opened: 7.9.57.

Card indexed and registered: H.M.

Zone Crown Rent

CONNECTED PAPERS

SEC. No.

10

P.W.D. No.

B.O.O. No.

L.S.O. 5296/53 - 75 year renewable leases -
Policy

5294/56 - Disposal of Crown Land -
Policy

511/47 - Procedure on Disposal of Land

Extracted from L.S.O. 5296/53Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

(1)

D. C. S.,

X X X

10. This question raises once again the general financial basis of land sales which was referred to in para. 3 of D.F. S. minute dated 16.2.54 in Sec. 8/3181/53. It would seem that the time is opportune for fixing rents far more nearly equal to the economic annual value than are the present arbitrary zone rents. The result would be a considerably lower premium but a higher annual recurrent revenue. It would approximate in effect to the payment of premium by instalments as has been allowed in renewing 75 year leases and I understand is to be adopted for sales of land in the new industrial area at Kun Tong. To adopt such a method generally for land sales would answer the criticism which has been levied against Government that too high a price is obtained for land sold at auction and would greatly reduce the possible grounds for argument when the 75 + 75 and 75 + 24 year leases fall for reassessment of Crown rent. 10

11. I consider the proposal in para. 10 above merits very serious consideration and you may wish to extract this to a new policy file and refer for comment by interested departments as a separate issue. 30

Sd. T.L. Bowring
Director of Public Works.
4/12/55

- (2) Memorandum re. Disposal of Crown Land - Premia and Crown Rents.
- (3) Memo 16.8.56 from Hon. C. S.
- (4) Memo 29.9.56 to D. C. S.
- (5) Copy of Memo 10.12.56 from D. C. & I. to D. C..S.

Extracted from Sec. 6/3138/56.

(6)

D.F.S. (E)..

Exhibits

Exhibit "L"

From time to time since 1945 the question of the Crowns' return from land sales has cropped up. The question is whether Government should aim at realising the maximum possible premium at auction by providing for a low crown rent, or whether there are advantages in stipulating a Crown rent nearer the annual rentable value of the land. Mr. Hazelrigg (then special advisor) commented in 1946 as at M.1; in that period the need was for quick money, so it was decided to demand low Crown rents and high premia.

File L.S.O.
5289/57

(contd.)

10

20

30

2. At (2)¹ is a note on the historical background. Royal Instructions of 1843 prescribed public auction of lots at annual rentals with a reserve price "equal to the value or annual rent of the land". Later there were complaints about the high level of Crown rents and in 1851 S. of S. rules that land should be auctioned at a "moderate" rent, the competition to be in the premium. This practice has continued to the present day and it is thought that one reason for it was that, when the revenue was assessed in the 19th Century for the purpose of the Colony's Military contribution, Crown rents counted as "revenue" which premia did not thus it is paid to insist on high premia.

40

3. In 1954 the question of renewing certain 75 year renewable leases came up: by the lease terms, these (which were issued only between 1875 and 1898) are to be renewed for "such rent as may be fairly...fixed.... as the fair and reasonable rental value of the ground at date of renewal". The lessees naturally objected to a change in Crown rent from the old nominal basis to a rentable-value basis, which led D.F.S. To

Exhibits

Exhibit "L"

File L.S.O.

5289/57

(contd.)

comment on the general question of premium vs. rent (please see M.4 and M.5). He thought Crown rent should be the decapitalised upsent value, with the lease to go to the highest premium bid over and above this at auction. The following advantages were foreseen:-

(a) such an arrangement would reduce the scope for argument in the renewal of other 75-year renewable leases; 10

(b) it would be desirable on financial and possibly economic grounds, by increasing recurrent revenue from land;

(c) it might increase total income from land;

(d) by increasing lessee's recurrent costs, it would speed up site-development; 20

(e) it would encourage more intensive development by increasing Crown rent rather than requiring lump sum premia for lease modifications.

4. D.P.W. Received these proposals in December 1955-M 7 in this file and at (3) I called for a clearer statement of the factors involved. D.P.W.'s detailed views are at (4). In short, he recommends:- 30

(a) revised Crown rent approaching more closely to the annual economic value of the site, but not up to the full value he thinks something over 50% would be about right;

(b) too high a Crown rent would create very real difficulties, particularly if one decapitalises value over a short period (say 10 40

years-based on a 10% interest rate? and if land values fall;

Exhibits

(c) whatever level of Crown rent might be adopted, there should be provision for review at stated intervals (perhaps 5 yearly); this would reduce the full effects of sharp variations in land values;

Exhibit "L"

File L.S.O.
5289/57

(contd.)

10 5. D.P.W. offers no evidence to show that the present system of high premium/low Crown rent is discouraging development; indeed he would probably find it difficult to do so. The building figures speak for themselves. The reference at paragraph 3 of (4) to high land values making it difficult for Hong Kong industries to compete in world markets does not, I think, stand up to close examination, especially now that subsidised land at Kun Tong is being made available by the acre.

20 6. For my part I think there are sound reasons for imposing higher Crown rents and thus producing lower premia receipts, provided these rents are not too high. I would think that about 50% of economic value would be right; there still has to be decided the number of years purchase- if this is too low the Crown rent becomes so high that in bad times property owners would extremely embarrassed. S.C.S. & S. has suggested 10 year's purchase which seems reasonable.'

30 7. Since development is not at present deterred by the present system, the question becomes primarily a financial one which you will wish to discuss with F.S.

40 Sd. I.M. Lightbody.
A.S.I.
12.10.56

P.S. Pl. also see D.D. & I's memo at (5)
Sd. I.M.L. 11.12.56.

(7) A. S. I.Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

M.9

The value of money tends to fall and, consequently, fixed returns become less valuable in the course of time. An asset is best realized for its full current value in order that it may be turned into some other asset without any intervening depreciation in the medium of exchange. Theoretically it is preferable to obtain maximum prices for land sold rather than to rely on a steady but diminishing income, relatively speaking, from Crown rents. Any attempt to overcome the problem of relatively diminishing returns by adjusting Crown rents from time to time at pre-determined intervals would involve considerable practical difficulties. Both economically and financially from Government's point of view there are no sound reasons for introducing higher Crown rents with concomitant lower land premia.

10

20

2. From the lessee's point of view the low recurrent costs of Crown rent must be advantageous provided he can overcome the initial obstacle of a high premium. This may or may not be a deterrent to development and, as you point out, there is no evidence offered that the present system is discouraging. If there was such evidence a practical compromise might have to be considered. I have in mind the payment of premia by instalments provided the period of payment was sufficiently short to reduce losses arising from a depreciation in the value of money to negligible proportions. This period is open to argument by the Financial Secretary, would, if necessary, be prepared to consider five years as reasonable.

30

40

Sd. R.M. Hetherington
Ag. D.F.S. (E)
24.12.56

M.10

(8) Hon. D.P.W.Exhibits

Please see M.8 and M.9 with reference to your memo at (4). In the absence of any evidences that the ~~present~~ system is delaying development, it is probably not worth considering X/- of M9; but I should be grateful your comments.

Exhibit "L"

File L.S.O.
5289/57

Sd. I.M. Lightbody
For C.S.
24.12.56

(contd.)

10

(9) D.C.S..

I have held this file with a view to putting up more detailed arguments (though the reasons already given in the file do not appear to have been adequately countered) but as the question of payment by instalments is likely to be raised shortly as a matter of general policy I am returning the file now.

20

2. It seems to me that M.9 overlooks one of the most cogent arguments in favour of the proposal to increase Crown rents which is that by so doing the reassessment of Crown rents for the second period of the 75+75 and 75+24 renewable leases will be made simpler and Government will be in a much stronger position that they will if the present practice of relatively nominal Crown rents is continued.

30

3. There are strong practical and legal objections to the adoption of payment by instalments as a standard procedure since while Crown rent "runs with the land" payment of premium instalments does not. Consequently the original purchaser remains liable for such payments and specific covenants have to be drawn to provide for payment by successors in title. Difficulties also arise in

40

Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

connection with Stamp Revenue.

4. I note that the views expressed at M.9 do not agree with those expressed by D.F.S. at M4. The objections at M.9 are mainly on grounds of confidence in the continuing value of money and taken to their logical conclusion argue against the sale of land on anything but a very short term. I would suggest with all due deference that the question justifies further consideration.

10

(R.C. Clarke.)

p. Ag. Director of Public Works.

5.2.57

M.13

S.C.L.

Do you think we might now press
Sec.M para. 4 of (9)?

Sd.
12/3/58

Exhibits

Exhibit "L"

File L.S.O.
5289/57

M.14

A.S. C.L.

Is not this matter tied in with **LSO**
5296/53 attached.

(contd.)

10

2. Para (3) of (143) of memo 6 D.C.S.
dated 11/3/58 in LSO 5296/53 requests further
consideration of the raising of Crown Rent etc.

3. Under the circumstances I feel we
should await a reply from Secretarist
to our memo of 11/3/58

Sd.
12/3/58

(8) Copy of memo 11.3.58 to D.C.S.

(9) Memo of 24/6/59 to Hon. C.S.

20

M.15

Discussed existing Crown Rent plan
with A.S.C.H. suggested that now was the time
to renew the Crown Rent and their boundaries
into simpler and larger units - he agreed and
asked we to prepare a plan etc.
considerated by VeRo. Ses (k) etc.

Sd.
12/7/61

- - - -

Exhibits

A.S.C.L.

M. 20

Exhibit "L"

ZONE CROWN RENTS.

File L.S.O.
5289/57

(contd.)

"A" The existing Crown Rent Zones require amendment due to following reasons :-

1. Boundaries are not definite enough.
2. Increase in values due to development has increased the values in many of the urban and sub-urban areas and the existing zones do not reflect this increase.
3. There are too many divisions and it would be advantageous to simplify the the Zones.

10

The Crown rent should be related in some way to the F.M.V. and it appears that a reasonable method to adopt (bearing in mind that Government is against economic C.R.'s) would be that approx the C. Rent should be .001 of the F.M.V. This appears to be the method adopted in past ?

20

E.G.

43560 sq.ft. x San Po Kong \$35
= \$1,524,600

(Existing C.R. \$1000
papa) .001 x 1,524,000 = \$1,524

ZONE "D" say \$2,000 papa

Shanghai St. 43560 sq.ft. x \$150 sq.ft.
= \$6,534,000

(existing C.R. \$4,000)
.001 = \$ 6,534

30

Please refer to the plan attached for the proposed sub-division. The difficulty in Kowloon is Nathan Road - the proposed

Zone Rent of \$6,000 papa is abvously not .001% x F.M.V. But unless Nathan Road is made a separate Zone this cannot be avoided. Recent sales show that land to the south of Boundary Street to the east of the railway is just as valuable as rent of the land to the rent - so I suggest that they be treated as 1 Zone. With regard to H.K. island I am afraid that I do not know enough about the matter to suggest definate Zone-- but would Mr. Cruiden's zones as shown on (44)2 B.L. 3/2914/46 be adopted rounding off the figures to nearest \$1000. and relating them to Kowloon.

Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

10

20

New Territories: I suggest that S.E.S. (N.T.) is approached for his views before we submit the matter back to D.C.S. (please refer to M93 in B.L. 3/2914/46).

In submitting to D.C.S. I suggest that we should emphasize the need for simpler zones and that the proposed C.R.'s. are a very small proportion of F.M.V.

"B" The alternative to above would be to relate C.R. in conditions as a% of F.M.V.

M. 20

A. A.S.C.L. History

30

1. Crown Rent last fixed in 1949. I cannot find file dealing with same.
2. A paper was put before you in Council-19/11/68 by Mr. Cruiden revising C.R.'s (please refer to (44) - (44)2 and 47 in 3/2194/46.
3. Result of above - States Quo. due to
 - a) Fact that N.T. - particular Tsuen Wan were not included.
 - b) Falling values at time of submission.
 - c) Disagreement and "S" Out platform see (44).

40

Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

4. Matter was to B.V. 1 yr. by order of
D.C.S. ref. L.S.O. 5296/53.

(192) - Mr. Barron's memo on matter - produced
(191)A

B. L.S.O. 5289/57)
B.L. 6/3181/56) refer to increasing C.R.
to economic levels - Governments view is
against economic C.R.

C.D. (Mr Smith)

M.21

10

You are preparing a new plan showing
Crown rent re-zoning and when it is
ready please pass it to A.S.C.L. attached
to this file.

M.22

A.S.C.L.

A set of plan for proposed "Zone
Crown Rents" for your Comments

Sd. :
1/12

20

Crown RentExhibits

In order to make logical proposals for any amendment to the present method of dealing with the question of Crown Rent it is necessary to look at this method in its relationship not only to its own historical background but also the historical background of the reasons for charging rent and the amounts charged.

Exhibit "L"

File L.S.O.
5289/57

10 The current method of alienating Crown Land is well known and has been in existence for well over a century. Land is sold at public auction at a "low or nominal" Crown Rent the bidding being by way of a premium, payable, with a few exceptions, in cash at the time of purchase. With the passing of the years the amount of Crown Rent charged on any lot has ceased to bear any relationship to the value of the lot in spite of the fact that an arbitrary system of "zones" has been used with differing rates of rent in each zone. It is
20 obvious from an inspection of a plan of these zones that an attempt was made to correlate these with land values but as these latter vary relatively and within comparatively short periods of time the zone rents not only remain arbitrary but, unless revised at short periods, become meaningless as differentials.

(contd.)

30 The leasehold system of land tenure arose originally from the tenant's need for protection by his superior landlord for which he paid in various forms of service. These services were in fact both a payment for protection and an acknowledgement of the superior ownership of the land by the landlord. In time however the need for the services gradually disappeared and they were commuted into money payments whilst still leaving the acknowledgement of superior ownership. This latter acknowledgement is still an essential part of the system and is one of the main reasons for the
40 payment of rent. It prevents any presumption of absolute ownership by the tenant which otherwise could, and in many countries does, arise. This is, incidentally, a cogent argument against redemption of rent which in any case is one of the main points in any scheme

Exhibits

Exhibit "L"

File L.S.O.
5289/57

for leasehold enfranchisement. Without payment of rent the leasehold system would undoubtedly fail.

It follows from the foregoing that whilst the payment of rent at regular intervals is an essential part of the leasehold system as a legal entity the amount of the rent is not.

(contd.)

Generally speaking rents fall into two main categories:

- (1) Rack rent, i.e. periodic charges amounting to the full economic value of what is being let assessed at the date of letting, and 10
- (2) Rents which are something less than rack rents.

In the latter category there are many divisions (although these are not always clear cut) which may vary from the nominal rent of a peppercorn (which is obviously purely an acknowledgement of superior ownership and has no monetary value) through ground rents, rents which have been partially redeemed by payment of a premium, rents which have been reduced on a covenant by the tenant to perform other services (e.g. the expenditure of capital on the land let) up to the full rack rent. 20

It has long been accepted that rent from developed land arises from three sources:

1. the income derived from ownership of the original powers of land and other gifts of nature. 30
2. the income derived from the investment of capital in the land
3. the income derived from the general progress of society.

It is clear that a landlord who is leasing land only (i.e. without buildings or other capital investment) would be entitled to charge on the basis of items (1) and (3) above and

these would amount to a fully economic rent for the land itself, in other words a ground rent. The lessee's profit would come from (2) i.e. from the investment of his capital. Over the years of course, and with the normal depreciation in the value of money, the amount of rent ceases to be fully economic but from the ground landlord's point of view this is countered by the greater security of his rent and by the increase in the value of his reversion due to the effluxion of time.

Exhibits

Exhibit "L "

File L.S.O.
5289/57

(contd.)

Crown Rents in Hong Kong fall into the category of rents which are less than rack rents whatever zone they may be in and it is now necessary to examine how much lower they are than the rack rents.

An example is the industrial land sold over the past few years at San Po Kong and Kwun Tong. An analysis of these sales shows that figures from \$30 to upwards of \$100 per sq.ft. were obtained. The zone Crown Rent for both areas is \$1,000 per acre per annum or \$0.023 per sq.ft. If the figures of premium are decapitalised to give an annual equivalent we arrive at a figure of annual value which is comparable to the Crown Rent, also an annual payment. This method unfortunately raises difficulties is that in New Kowloon and the New Territories the Crown is only a mesne landlord whereas in the case of Kowloon itself and Hong Kong Island, the Crown is absolute owner though it is admitted that the political situation may make this latter statement a little more tenuous than it sounds.

In either case it is more simple to compare capital values and in the example quoted above, if the rent is capitalized at 20 years purchase the comparison of rent to premium becomes \$0.46 to a figure varying between \$30 and \$100. Even at the lower sale figure it is obvious that Government is only receiving a maximum of 1.5% of its land value in rent. If the average figure is taken the amount falls to less than 1%.

In the case of residential properties the

Exhibits

Exhibit "L"

File L.S.O.

5289/57

(contd.)

difference is more marked still. A typical example in a high density residential area (Density Zone 1) might have a value of from \$120-\$350 per sq.ft. i.e. an average of say \$200 with Crown Rents in the range of \$1,000 - \$5,000 per acre per annum i.e. from \$0.023 to \$0.115. At 20 years purchase again comparable figures are \$0.46 to \$2.30 an average being say \$1.30 - as against a value of \$200, 0.6%. With commercial properties the relationship is more marked still.

10

It follows from this that the actual amount of Crown Rent payable in the Urban Area (and it must be stressed that the above arguments are meant to apply only to that area) has in practice a minimal effect on the value of land and it is suggested that the time is now ripe for a simplification of the method of calculating the amount of rent to be charged. The following proposals are made in order:

20

- (a) to simplify the present cumbersome procedure of relating rents to acres of land whilst land is invariably sold and measured in terms of square feet.
- (b) to obviate the need for calculation and conversion with the concomitant possibility of error both in calculation and in using the wrong zone figure
- (c) to do away with the need for audit queries on rent.

30

all of which are time consuming and costly without giving any real benefit in return.

- (d) to ensure that total revenue from rents does not vary appreciably.

The average figure of Crown Rent paid in the Urban area is of the order of \$0.069 per sq.ft. The average size of lot sold in 1964 is of the order of 10,000 sq.ft. for approximately 200 sites. The average size of lot

40

regranted for a second term of 75 years during the same period is of the order of 1000 sq. ft. for a similar number of sites. In all probability therefore the average amount of Crown Rent paid based on sales and regrants in the urban area is of the order of \$350-\$400 per annum.

Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

10 It is suggested therefore that for all future land sales and regrants in the urban area a standard Crown Rent of \$400 per annum be charged on any lot irrespective of size. In addition this figure would apply in all cases where a modification or exchange is granted. Consideration might also be given to charging this same figure of Crown Rent on each section of a lot when sections are carved out and the carving out is registered in the Land Office, but it is appreciated
20 that this would necessitate amendment to the Crown Rent apportionment Ordinance and may not be feasible at the present time.

It is not proposed that any alteration should be made to current Crown Rents as this would obviously require legislation. It is pointed out however that all renewable leases contain a rent revision clause for the second term of either 75 or 24 years and that the remaining non renewable leases would normally have their current Crown Rents revised
30 to the present Zone Crown Rents in any case.

M E M O

Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

From : Colonial Secretariat.
To : Hon. Director of Public Works.
Tel. : 95232
Date : 5th November, 1962.
Your Ref. :in.....
My Ref. :(80)..in..Bl 29/738/57...

I. L. 7573

I understand that this matter was discussed at your weekly lands meeting with the Registrar General and that it was decided that you would write to the Society pointing out that a mistake had occurred and informing them that it was proposed to rectify the error. 10

2. Errors in calculation of Crown Rents (albeit attributed to a particular cause) are the subject of comment in the Director of Audit's report on the 1961/62 accounts in the following terms :-

"Leased Lands. A number of errors were noted in the assessment of Crown Rents due to calculations having been made with reference to the wrong rent zones. The amount of each underassessment was in itself comparatively small, but as adjustments cannot be made once the relevant documents have been executed, the total undercollection of rent over the whole period of the various leases may be substantial. The matter has been brought to the attention of the Director of Public Works." 20 30

I should be grateful for your confirmation that you are taking all necessary steps to guard against such miscalculations becoming enshrined in Conditions of Grant/

(D.S. Whitelegge)
for Financial Secretary, 40

DSW:PF
c.c. Acct. Gen.
D. of A.
Reg. Gen.

647

M E M O

From : Colonial Secretariat
To : Hon. Director of Public Works (2)
Tel No.: 95250
Date : 28th July, 1962
(Superintendent of Crown Lands
& Survey)
Your Ref. (17) in L.S.O. 5289/57
My Ref. (65) in BL 3/2914/46

Exhibits
Exhibit "L"

File L.S.O.
5289/57

(contd.)

10

Crown Rent Zones
Proposed Adjustment of Boundaries

It has been decided not to proceed
with this matter at the present time.

Sd.
(J. T. Wakefield)
for Colonial Secretary

c.c. Reg. Gen.,
D. of A. (Chop by Crown Lands
& Survey Office)

MEMO

Exhibits

Exhibit "L"

File L.S.O.
4289/57

(contd.)

From Supt. of Crown Lands & Survey

To: Deputy Colonial Secretary

Ref.:(16) in L.S.O. 5289/57

Date: 19th June, 1962.

Tel: No. : 95344

Your Ref. (60) in BL3/2194/46 dated 29/5/62

Crown Rent Zones

Proposed Adjustment of Boundaries

Please refer to D.C.N.T's memo (75) in NT 1201/58C dated 13th June 1962. I appreciate D.C.N.T.'s reticence to change, knowing the reasons but I feel certain in my own mind that what I have proposed will in fact affect few, if any cases for the following reasons:- 10

2. At present village building lots in the N.T. of an area between 545 and 1,088 sq.ft. inclusive pay a Crown rent of \$4 per annum, over 1,088 and under 545 sq.ft. pay \$6 p.a. and \$2 p.a. respectively.

3. Under my proposals similar lots between 500 and 999 sq.ft. inclusive will pay \$4 p.a. and over 999 and under 500 \$6 and \$2 p.a. respectively. 20

4. There will only be a variation (and this will only amount to \$2 per annum) in respect of lots having areas between 500 and 544 sq.ft. and between 1,000 and 1,088 sq.ft.: All other areas will have the same Crown rent per annum as they have at present.

9sd.) W.L.T. Crunden 30
p. Supt. of Crown
Lands & Survey

c.c. D.C.N.T.
Reg. Gen.
D. of A.

Director of Public
Works

Hon. C.S.

Your Ref: BL 6/3181/56

L.S.O.5294/56

24th June, 1959.

Exhibits

Exhibit "L"

Disposal of Crown Land - Policy

File L.S.O.
5289/57

Reference is made to my memo L.S.O. 5294/56 of 15.8.57 in which certain recommendations were made for which consideration and approval was requested.

(contd.)

- 10 2. The recommendation in para.2(i) of the above quoted memo was approved vide para.1 of your BL 3/2914/46 of 4.10.57, but the procedure has not been followed to any great extent because marginal lands are either full of squatters or are not yet "released" but the Kai Tak released land, and lands at Chai Wan after the new access road is built, should follow this procedure.
- 20 3. The proposal to revise present Crown rents upwards to about 25% of the annual economic value of the land for all new disposals of Crown land, except those granted for charitable or educational purposes, was being pursued in BL 6/3181/56 vide para.2 of BL 3/2914/46 of 4.10.57, and para.3 of my memo L.S.O. 5296/53 of 11.3.58 was a reminder on the matter. However, as the proposed revision of zone Crown rents (arbitrary figures only) was rejected by Ex. Co. on 18.11.58 (BL 3/2914/46) and I understand that it is still Government's
- 30 policy to obtain premia rather than a higher annual recurrent revenue, I assume the proposal cannot be pursued further at the present time.
- 40 4. It will have been noticed that there is little difference in practice from the purchasers' view point between the recently approved procedure for sale of industrial land at Kwun Tong of a cash payment of 10% of the realised premium and the payment of the remainder by annual instalments, and the proposal to increase Crown rents to something nearer the annual economic value with a consequent reduced premium. The latter is a

Exhibits

Exhibit "L"

 File L.S.O.
 5289/57

 (contd.)

much simpler procedure and more convenient administratively.

5. To dispose of Crown land by any means other than by public auction, e.g. by competitive tender, Government then being in a position to select bona fide applicants, would leave Government open to more criticism than it is under the existing system of public itself fixes the price at which land is bought, and I do not recommend any departure from public auction.

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6. With regard to the proposal in para.2 (iii) of my memo of 15.8.57, no Secretariat decision was made on this matter but ~~consequent~~ upon the audit inspection of December 1957 and after discussion with the Director of Audit, the issue and amendments of permits, pending a check on the system of charging fees, was suspended. Subsequently the Director of Audit considered that a new schedule to the Summary Offences Ordinance should be prepared. This matter has been dealt with in BL 27/3181/47 and the new Summary Offences (Licences and Fees) Regulations and Schedule of Fees are to be submitted to Ex. Co. in the next few weeks.

20

7. When these new regulations come into effect, all permits now existing will be superseded on their expiry by new permits on a new form with fees calculated in accordance with the new schedule and all permits will be inspected prior to their renewal. Most of them have already been inspected during the past six months. However, if the conditions are to be strictly adhered to as to user, I estimate that 40% of permits will not be able to be re-issued, with a consequent reduction in revenue of about \$2½ million. It is apparent that some breaches of conditions, particularly domestic user, will have to be tolerated. To do otherwise would mean that apart from loss of revenue, legal actions would be necessary and a large number of people would be thrown on the street creating further problems for Government.

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8. You are aware of course that it is proposed to issue annual tenancies in lieu of certain classes of permit as soon as the question of Article XIII has been decided.

Exhibits

Exhibit "L"

File L.S.O.

9. I regret I have no further suggestions to put forward on the subject of disposal of Crown land.

5289/57

(contd.)

(sd.) A. Inglis

Director of Public
Works.

10.

c.c. L.S.O. 5289/57
" 5296/53

Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

Director of Public
Works
L.S.O. 5296/53

D.C.S.
11th March, 1958.

CONFIDENTIAL

New Territories Leases and Renewals

Reference your memo CR 18/3181/55 dated 10th January, 1958 the note seems to give a very adequate summary of the position but I am doubtful as to whether the solution proposed can really be described as such.

10

2. The proposal to sell leases for New Territories and New Kowloon lots for the remaining numbers of years up to 27th June, 1997, but provide for a revision of the rent in 1973 does not appear materially to alter the present practice. It would still not avoid the point made in para. 7 of my minute of 9th December, 1955 that is, that in some 10 years' time we would be selling leases having only 8 years to run before renewal of the Crown rent. Surely, if we are to change the term it should rather be for the full remaining 39 years at a modern Crown rent not subject to any re-assessment? If this were adopted forthwith then the question of the rent to be charged in 1973 in respect of the existing New Territories and New Kowloon leases could be discussed at leisure.

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3. Reading through your note emphasizes the long term advantages to be gained from a revision of policy towards an upgrading of Crown rent and a reduction of premium in all new sales and grants. This is a matter which might perhaps receive further attention.

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c.c. Reg. Gen.
D.C.N.T.
LSO 5289/57

(sd.) J.E. Richardson
p. Director of Public
Works

653.

From: Colonial Secretariat
To: Hon. Director of Public Works
Ref.: BL 3/2914/46

Exhibits
Exhibit "L"

File L.S.O.
5289/57

4th October, 1957.

Disposal of Crown Land

(contd.)

Please refer to your memorandum L.S.
O.5294/56 of 15th August, 1957.

10 It is agreed that you should be free
to recommend the sale of Crown Land at
auction without waiting for an applicant,
but it is appreciated that the full benefit
of this cannot be realised until your staff
are able to plan ahead for the development
of marginal and new areas.

2. The question of increasing Crown rentals
is being considered separately in Secretariat
file BL 6/3181/56, and it will be pursued
in that file.

3. XXX XXX XXX

20 4. XXX XXX XXX

(sd.) I.M. Lightbody
for Colonial Secretary

Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

Director of Public Works. Hon. C.S.

L.S.O.5294/56

15th August, 1957.

Disposal of Crown Land - Policy

I attach a paper prepared by the Supt.
of Crown Lands and Survey on this subject.

2. The paper reviews in general terms,
the present policy concerning the disposal
of Crown land and makes specific recommendations
for change. Certain of these recommendations
have already been considered and dealt with
and I would now request your approval to the
following :-

10

(i) To adopt a more positive sales
policy and if necessary sell land
without awaiting a specific
application. This would enable
engineering works to follow a
set plan and facilitate systematic
development.

(ii) To revise the present zone Crown
rent upwards to say 25 per cent
of the annual economic value of
the land for all new disposals of
land except those granted for
charitable or educational purposes.

20

(iii) To stop the issue of all new
Crown land permits (with a few
exceptions) for a period of 6
months so as to enable action to
be taken to

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(a) make full and detailed
inspections of all existing
permit areas in order to issue
new permits and to bring the
areas under greater administrative
control;

655.

(b) prepare a new set of permit fees under the Summary Offences (Licences and Fees) Regulations; the fees to be increased and adjusted more equitably between different districts and uses.

Exhibit
Exhibit "L"

File L.S.O.
5289/57

(contd.)

If this recommendation is accepted it will be necessary to make a public announcement to this effect.

10

3. Several of the points referred to have been the subject of correspondence full reference to which is given in the paper.

(sd.) A. Inglis
Director of Public
Works

Disposal of Crown Land PolicyExhibits

Exhibits "L"

File L.S.O.

File 5289/57

(contd.)

The disposal of Crown Land is governed by Letters Patent and Royal Instructions (Articles XIII and XXXI) and controlled by Secretary of State Instructions and Local rulings. The underlying principle is that Crown Land is disposed of in the first instance by public auction; land for Government purposes, charitable educational and certain special purposes being exception to this rule. Apart from the disposal of land on lease for permanent development considerable areas of Crown land are occupied on temporary licences. 10

2. Land policy can thus be separated conveniently into two parts, the first dealing with disposal on lease with all the rules of procedure and principle applicable thereto and the relatively much more simple process of occupation on a temporary basis. My recommendations concerning changes in land policy are set out below under these two headings. 20

Disposal for permanent Development

3. I propose little change here but merely continuation and consolidation of present trends. Public auction must continue to be the basic policy. To reduce the capital out-lay necessary to obtain entry to land I recommend adaption of the present practice of allowing payment of premium by instalments over a period of years now in use at Kun Tong - and previously and presently applied to renewal of 75 year leases - be extended generally to all disposals on lease. Rather than decapitalisation of a premium, however, I propose a simpler and preferred procedure. 30

4. Payment of premium by instalments while of benefit to developers has certain administrative inconveniences and legal difficulties. It calls for a separate register of outstanding instalments due and the issue of separate annual demand notes by the Accountant General. It complicates the Registrar Generals land registers and necessitates added checking by prospective purchasers. An alternative 40

procedure which will achieve roughly the same beneficial result and which I now propose is to increase Crown rent more nearly to the full economic annual rent of the lot in question.

Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

5. The practice of disposing of land at a low arbitrary zone rent stems from the Secretary of State's Despatch of 1851 and it would seem not too early to recommend a change. A paper giving the background of the matter is attached (App.A) The suggestion to raise Crown rent to a higher level is not new having already been put to the Secretariat in December, 1955. The file concerned is LSO 5296/53. The point is also made in para. 13(2) of Planning Memorandum No.2 circulated on 29/10/56 in L.S.O.1/7205/56.

10

6. I have considered recommending the introduction of leases of shorter terms of years or alternatively the introduction of a clause to provide for the revision of Crown rent at more frequent intervals - say 5 or 10 years. On mature reflection, however, I do not think such a proposal, applicable as it would be to new grants only, would be welcome or justify the administrative effort which would be required. If Government wishes to collect the unearned increment of land value arising in the Colony then this had best be done by means of a tax on land values applied to all leased land.

20

30

7. A further point which calls for consideration and to which reference is made in para.17 is the desirability of adopting a more positive sales policy. The present practice - except at Kun Tong - is to await an application before putting any land up for sale. Often work done in respect of an application is largely wasted by the applicant withdrawing at a later stage. A more positive approach, to prepare land for sale and draw up conditions of sale in advance would be of a great convenience to the public and might save effort in the long run. The initial effort would be greater, however, and this suggestion could only be implemented as and when staff was available.

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Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

8. I presume that you do not wish me to make any recommendation concerning the administration of land generally, for example, the extent of the jurisdiction of this office and I have therefore excluded such matters from this memorandum. I have no other major proposal to make concerning the disposal of Crown land on lease.

X

X

X

Director of Public Works

D.C.S.

Exhibits

L.S.O.5296/53

20th September, 1956

Exhibit "L"

Premia and Crown Rents----
File L.S.O.
5289/57----
(contd.)

Reference your memo 6/3181/56 dated 16th August, 1956 the main point which I wanted to make is that Crown rent should be revised so as to approach more nearly to the annual economic value of the site in question. I do not favour re-adjustment of zone rent up to the full economic value nor the re-introduction of the sale of land by auction with the bidding to turn on annual rent. To do so would I think lead to considerable practical difficulties should there be a recession in land value at some future date. Such difficulties might be overcome by provision for the adjustment of Crown rent up or down at regular intervals say 5 years but this raises larger issues which might perhaps be discussed elsewhere.

2. I have no particular argument put forward in favour of fixing the revised rent at one half of the annual value of the land; I think perhaps that a somewhat higher proportion might be taken in annual rent but I have no strong feelings either way. It depends on the degree to which Government wish on grounds of policy to reduce the capital cost of land. Whatever proportion of the value it is decided should be used then the Crown rent could be calculated roughly on the basis you suggest.

3. The advantages resulting from this proposal have been stated briefly in para.14 of the memorandum forwarded on 8th August, 1956 and for record purposes I state them again here.

- (i) Very much less difficulty in affecting the reassessment of Crown rent for the second period of the 75 + 75 and 75 + 24 renewable leases.

Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

(ii) Reduction in cost of resumption for improvements, etc. in respect of leases subject to the higher rent.

(iii) A reduction in capital necessary for the purchase and development of Crown land.

Whether the adoption of this system would encourage development is a matter of opinion but there has been much argument in the Press that high land prices make it difficult for Hong Kong manufacturers to compete in World markets and any system which reduces the proportion of available capital which has to be sunk in land would appear to be of advantage. This is a matter upon which the advice of D.C. & I would be of value and I am sending a copy of this memo to him together with a copy of the memorandum giving the background to the question in case you wish to seek his comments. 10

4. I cannot see that any serious disadvantages would follow from the introduction of these proposals. One small difficulty would arise in connection with the grants of land to charitable bodies. These bodies usually pay the normal Crown rent and if this were raised more nearly to the full annual value they would be unable to do so. However this could easily be overcome by slight administrative change. 20

5. As mentioned in my first minute on this subject on 9/12/55 and as can be seen from my memorandum of 7/8/56 giving the background to the question, the proposal raises wide financial issues apart from any question of land administration. 30

(sd.) M.I. De Ville
p. Director of Public
Works.

c.c. Registrar General
D.C. & I.

661.

MEMO

From Colonial Secretariat
To Hon. Director of Public Works
Ref. : 6/3181/56
Date : 16th August, 1956.

Exhibits
Exhibit "L"

File L.S.O.
5289/57

PREMIA AND CROWN RENTS

(contd.)

Please refer to your memo L.S.O.5296/53
of 8th August, 1956.

10 This question was discussed between the
Superintendent of Crown Lands and the under-
signed, and I gathered that what you have in
mind as a suitable revised Crown rent is one-
half of the annual value of the land; e.g.,
assuming market value to be \$100 per square
foot, revised Crown rent should be (if 10
years' purchase is taken as the basis) \$5
per annum. I should be glad if you would
confirm that this is, broadly speaking, what
you are proposing.

20 2. Apart from softening the blow of revised
Crown rents when leases are renewed, are there
any practical advantages which might result from
requiring higher Crown rent (and hence lower
premia) ? Would such a system encourage
development? Are there any signs that the
present system is discouraging development?

3. Are there any disadvantages which might
follow from the introduction of a new system
as proposed?

30 (sd.) I.M. Lightbody
for Colonial
Secretary

c.c. R.G.

662.

Exhibits

Exhibit "L"

File L.S.O.
5289/57

(contd.)

From : Director of Public Works

To : D.C.S.

Ref. : L.S.O. 5296/53

8th August, 1956.

NEW TERRITORY LOTS - Terms of Leases

Reference your memo 18/3181/55 dated
25th July, 1956 I forward herewith a
memorandum giving the background requested.

(sd.) M.I. De Ville
p. Director of
Public Works

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EXHIBIT "M" -- Agreement & Conditions
of Sale of K.I.L. No.9317

Exhibits

Exhibit "M"

10 PARTICULARS AND CONDITIONS OF SALE by Public Auction to be held on the 13th day of March, 1967 at 2.30 p.m. in the Lecture Room, 8th floor, City Hall, Hong Kong, by Order of His Excellency the Governor of one Lot of Crown Land at To Kwa Wan Reclamation, Kowloon, in the Colony of Hong Kong for a term of 75 years commencing from the date of this Agreement at the rent specified in the Particulars and with the option of renewal for a further term of 75 years at a Crown Rent to be fixed by the Director of Public Works as the fair and reasonable rental value of the land at the date of such renewal.

Agreement & Conditions of Sale of K.I.L. No.9317

PARTICULARS OF THE LOT.

20

No. of Sale	Registry No.	Location	Site	Area in sq.ft.	Annual Rental	Upset price
1	Kowloon Inland Lot No.9317	To Kwa Wan Reclamation. Kowloon	As delineated and coloured red and red cross hatched black on sale plan.	12,740 (about)	\$ 468	\$ 855,000

30

GENERAL CONDITIONS

1. Subject to General Condition 3, the highest bidder shall be the purchaser, and if any dispute arises between two or more bidders the Lot shall be put up again at a former bidding.
2. The auctioneer shall regulate the bidding.

Exhibits

Exhibit "M"

Agreement &
Conditions
of Sale of
K.I.L. No.
9317
(contd.)

3. The Lot is offered for sale subject to a reserve price and to the rights of Her Majesty the Queen to bid by any officer or other person or by the auctioneer and to withdraw every or any lot before it is sold.

4. (a) Immediately after the fall of the hammer, the purchaser of the lot shall sign the Memorandum of Agreement hereinafter contained for completing the purchase according to these Conditions and the Special Conditions hereof and shall pay to the auctioneer in cash or by cheque which shall be certified by the Bank on which it is drawn which must be a member of the Exchange Banks Association the sum of \$171,000 as a deposit and in part payment of the premium at which the lot shall have been purchased and and shall, within one calendar month of the day of sale, (subject to the provisions of General Condition 4(b)) pay to the Government of Hong Kong the balance of the said premium. The purchaser shall also sign the sale plan.

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(b) The purchaser shall be entitled to elect immediately after the fall of the hammer to pay the premium by four equal instalments without interest, provided that in such event he shall pay to the Government of Hong Kong within three days of the date of sale the first of the said equal instalments, less the deposit paid under General Condition 4(a) above, the second of the said instalments on the 13th day of March, 1968, the third of the said instalments on the 13th day of September, 1968, and the final instalment on the 13th day of March, 1969.

30

5. If the purchaser shall, on the fall of the hammer, fail to make the required deposit to account of the premium, as provided in General Condition No.4 hereof, Her Majesty may enforce the sale or the auctioneer may declare the sale void and re-expose the lot for sale, but without prejudice to recourse against the defaulting purchaser should the lot on re-sale not realize the amount of such defaulting purchaser's highest bid. If the purchaser shall fail to pay the balance of the premium as provided in General

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Condition No.4 hereof Her Majesty may either enforce or cancel the sale. On cancellation the said payment to account of premium by the defaulting purchaser shall be wholly forfeited to Her Majesty shall be at liberty to resell the lot at such time and place and in such manner as to Her Majesty shall seem fit, and all expenses attending a resale or attempted resale and any deficiency which may result on a resale shall be made good and paid by the defaulting purchaser and be recoverable by Her Majesty as liquidated damages. Any increase of price on a resale shall belong to Her Majesty.

Exhibits
 Exhibit "M"
 - - - -
 Agreement &
 Conditions of
 Sale of K.I.L.
 No. 9317
 (contd.)

10

MEMORANDUM OF AGREEMENT

BETWEEN
 of
 (herein referred to as "the purchaser") of
 the one part and His Excellency the Governor
 of the other part Whereby It Is Agreed that
 the purchaser having been declared the highest
 bidder for the lot described in the foregoing
 Particulars of Sale at the premium herein
 specified and having paid the required deposit
 specified in General Condition No.4(a) (the
 receipt of which is hereby acknowledged) hereby
 agrees to pay the balance of the said premium
 in accordance with General Condition 4(b) in
 four instalments and to become the Lessee of the
 of the said lot upon and subject to the foregoing
 Conditions and on his part to perform and
 abide by the said Conditions.

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No. of Sale	Registry Number	Annual Rental	Amount of Premium at which Purchased	Signature of Purchaser
41	Kowloon Inland Lot No.3917	\$ 468	\$	

Exhibits
Exhibit "M"

Agreement &
Conditions of
Sale of K.I.L.
No. 9317
(contd.)

NOTE: In the event of signature by an agent or attorney of the purchaser the conditions of clause 6 of the General Conditions must be observed.

Dated this 13th day of March, 1967,

Witness to the signature of purchaser:

Assistant Registrar, For and on behalf
Registrar General's of the Governor,
Department.

Witness to the signature of Director of Public Works: 10

Civil Servant, Director of
Public Works Department. Public Works.

Dated , 196 .

Land Office No.

AGREEMENT
&
CONDITIONS OF SALE 20

by Public Auction
of
Kowloon Inland Lot No. 9317

Lot No. :- Kowloon Inland
Lot No. 9317

Purchaser :-

Crown Rent :- \$468 p.a.
Term :- 75 years (renewable)
from 13th March 1967.

Land Office,
Hong Kong. 30

EXHIBIT "O"
Parry's Valuation Table

Exhibits
Exhibit "O"

ANNUAL SINKING FUND

Parry's Valuation
Table

being the annual sum required to be invested
to amount to £1 in a given number of years.

(i.e., the sum which, if invested at the
end of each year, will accumulate at Compound
Interest to £1.)

At Rates of Interest from 1% to 10%

10

Note:- No allowance has been made for the
effect of income tax on interest
accumulations.

No Allowance for Income Tax

Exhibits
Exhibit "O"

Parry's Valuation
Table
(contd.)

ANNUAL SINKING FUND For the redemption of £1 capital invested					
RATE PER CENT					
Years	5	5 $\frac{1}{4}$	5 $\frac{1}{2}$	5 $\frac{3}{4}$	Years
51	.0045287	.0041689	.0038350	.0035254	51
52	.0042945	.0039453	.0036219	.0033227	52
53	.0040733	.0037345	.0034213	.0031322	53
54	.0038644	.0035357	.0032325	.0029531	54
55	.0036669	.0033481	.0030546	.0027848	55
56	.0034801	.0031710	.0028870	.0026264	56
57	.0033034	.0030037	.0027290	.0024775	57
58	.0031363	.0028458	.0025801	.0023373	58
59	.0029780	.0026965	.0024396	.0022053	59
60	.0028282	.0025555	.0023071	.0020811	60
61	.0026863	.0024221	.0021820	.0019640	61
62	.0025518	.0022960	.0020640	.0018538	62
63	.0024244	.0021768	.0019526	.0017499	63
64	.0023037	.0020639	.0018474	.0016521	64
65	.0021892	.0019571	.0017480	.0015598	65
66	.0020806	.0018560	.0016541	.0014728	66
67	.0019776	.0017604	.0015654	.0013908	67
68	.0018799	.0016698	.0014816	.0013134	68
69	.0017871	.0015840	.0014024	.0012405	69
70	.0016992	.0015027	.0013275	.0011717	70
71	.0016156	.0014257	.0012568	.0011067	71
72	.0015363	.0013527	.0011898	.0010455	72
73	.0014610	.0012836	.0011265	.0009876	73
74	.0013895	.0012181	.0010667	.0009331	74
75	.0013216	.0011560	.0010100	.0008816	75
76	.0012571	.0010971	.0009565	.0008329	76
77	.0011958	.0010413	.0009058	.0007870	77
78	.0011376	.0009884	.0008578	.0007437	78
79	.0010822	.0009382	.0008124	.0007027	79
80	.0010296	.0008906	.0007695	.0006641	80
81	.0009796	.0008455	.0007288	.0006276	81
82	.0009321	.0008027	.0006904	.0005931	82

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ANNUAL SINKING FUND						Exhibits
For the redemption of £1 capital invested						Exhibit "O"
RATE PER CENT						Parry's
Years	5	5 $\frac{1}{4}$	5 $\frac{1}{2}$	5 $\frac{3}{4}$	Years	Valuation Table (contd.)
83	.0008869	.0007620	.0006539	.0005605	83	
84	.0008440	.0007235	.0006195	.0005298	84	
85	.0008032	.0006870	.0005868	.0005007	85	
86	.0007643	.0006523	.0005559	.0004733	86	
87	.0007274	.0006193	.0005267	.0004473	87	
10 88	.0006923	.0005881	.0004990	.0004228	88	
89	.0006589	.0005585	.0004727	.0003997	89	
90	.0006271	.0005303	.0004479	.0003778	90	
91	.0005969	.0005036	.0004244	.0003571	91	
92	.0005681	.0004783	.0004021	.0003376	92	
93	.0005408	.0004542	.0003810	.0003192	93	
94	.0005148	.0004314	.0003610	.0003017	94	
95	.0004900	.0004097	.0003420	.0002852	95	
96	.0004665	.0003891	.0003241	.0002696	96	
20 97	.0004441	.0003695	.0003071	.0002549	97	
98	.0004227	.0003510	.0002910	.0002410	98	
99	.0004024	.0003334	.0002758	.0002278	99	
100	.0003831	.0003166	.0002613	.0002154	100	

AMOUNT OF ONE POUND

in a given Number of Years at Rates
of Interest ranging from

1% to 25%

(i.e., the amount to which £1 invested now
will accumulate at Compound Interest).

Note:- No allowance has been made for the
effect of income tax on interest
accumulations

Exhibits
Exhibit "O"

No Allowance for Income Tax

Parry's
Valuation
Table

AMOUNT OF £1

RATE PER CENT

(contd.)

Years	4	4½	5	5½	Years
51	7.397	9.439	12.041	15.342	51
52	7.607	9.864	12.643	16.186	52
53	7.994	10.308	13.275	17.076	53
54	8.314	10.772	13.939	18.015	54
55	8.646	11.256	14.636	19.006	55
56	8.992	11.763	15.367	20.051	56
57	9.352	12.292	16.136	21.154	57
58	9.726	12.845	16.943	22.317	58
59	10.115	13.423	17.790	23.545	59
60	10.520	14.027	18.679	24.840	60
61	10.940	14.659	19.613	26.206	61
62	11.378	15.318	20.594	27.647	62
63	11.833	16.008	21.623	29.168	63
64	12.306	16.728	22.705	30.772	64
65	12.799	17.481	23.840	32.465	65
66	13.311	18.267	25.032	34.250	66
67	13.843	19.089	26.283	36.134	67
68	14.397	19.948	27.598	38.121	68
69	14.973	20.846	28.978	40.218	69
70	15.572	21.784	30.426	42.430	70
71	16.194	22.764	31.948	44.764	71
72	16.842	23.789	33.545	47.226	72
73	17.516	24.859	35.222	49.823	73
74	18.217	25.978	36.984	52.563	74
75	18.945	27.147	38.833	55.454	75
76	19.703	28.369	40.774	58.504	76
77	20.491	29.645	42.813	61.722	77
78	21.311	30.979	44.954	65.117	78
79	22.163	32.373	47.201	68.698	79
80	23.050	33.830	49.561	72.476	80
81	23.972	35.352	52.040	76.463	81
82	24.931	36.943	54.641	80.668	82
83	25.928	38.606	57.374	85.105	83

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AMOUNT OF £1						Exhibits
RATE PER CENT						Exhibit "O"
Years	4	4½	5	5½	Years	Parry's Valuation Table
	84	26.965	40.343	60.242	89.786	84
	85	28.044	42.158	63.254	94.724	85
	86	29.165	44.056	66.417	99.934	86
	87	30.332	46.038	69.738	105.430	87
	88	31.545	48.110	73.225	111.229	88
	89	32.807	50.275	76.886	117.346	89
10	90	34.119	52.537	80.730	123.800	90
	91	35.484	54.901	84.767	130.609	91
	92	36.903	57.372	89.005	137.793	92
	93	38.380	59.954	93.455	145.371	93
	94	39.915	62.651	98.128	153.367	94
	95	41.511	65.471	103.035	161.802	95
	96	43.172	68.417	108.186	170.701	96
	97	44.899	71.496	113.596	180.090	97
	98	46.695	74.713	119.276	189.995	98
	99	48.562	78.075	125.239	200.444	99
20	100	50.505	81.589	131.501	211.469	100

(contd.)

Exhibits
Exhibit "0"

No Allowance for Income Tax

Parry's
Valuaction
Table
(contd.)

AMOUNT OF £1 PER ANNUM					
RATE PER CENT					
Years	4	4½	5	5½	Years
51	159.774	187.536	220.815	260.759	51
52	167.165	196.975	232.856	276.101	52
53	174.851	206.839	245.499	292.287	53
54	182.845	217.146	258.774	309.363	54
55	191.159	227.918	272.713	327.377	55
56	199.806	239.174	287.348	346.383	56
57	208.798	250.937	302.716	366.434	57
58	218.150	263.229	318.851	387.588	58
59	227.876	276.075	335.794	409.906	59
60	237.991	289.498	353.584	433.450	60
61	248.510	303.525	372.263	458.290	61
62	259.451	318.184	391.876	484.496	62
63	270.829	333.502	412.470	512.143	63
64	282.662	349.510	434.093	541.311	64
65	294.968	366.238	456.798	572.083	65
66	307.767	383.719	480.638	604.548	66
67	321.078	401.986	505.670	638.798	67
68	334.921	421.075	531.953	674.932	68
69	349.318	441.024	559.551	713.053	69
70	364.290	461.870	588.529	753.271	70
71	379.862	483.654	618.955	795.701	71
72	396.057	506.418	650.903	840.465	72
73	412.899	530.207	684.448	887.690	73
74	430.415	555.066	719.670	937.513	74
75	448.631	581.044	756.654	990.076	75
76	467.577	608.191	795.486	1045.531	76
77	487.280	636.560	836.261	1104.035	77
78	507.771	666.205	879.074	1165.757	78
79	529.082	697.184	924.027	1230.873	79
80	551.245	729.558	971.229	1299.571	80
81	574.295	763.388	1020.790	1372.048	81
82	598.267	798.740	1072.830	1448.510	82
83	623.197	835.684	1127.471	1529.179	83
84	649.125	874.289	1184.845	1614.283	84

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AMOUNT OF £1 PER ANNUM						Exhibits Exhibit "O" ----- Parry's Valuation Table (contd.)
RATE PER CENT						
Years	4	4½	5	5½	years	
85	676.090	914.632	1245.087	1704.069	85	
86	704.134	956.791	1308.341	1798.793	86	
87	733.299	1000.846	1374.758	1898.726	87	
88	763.631	1046.884	1444.496	2004.156	88	
89	795.176	1094.994	1517.721	2115.385	89	
90	827.983	1145.269	1594.607	2232.731	90	
91	862.103	1197.806	1675.338	2356.531	91	
92	897.589	1252.707	1760.105	2487.140	92	
93	934.490	1310.079	1849.110	2624.933	93	
94	972.870	1370.033	1942.565	2770.304	94	
95	1012.785	1432.684	2040.694	2923.671	95	
96	1054.296	1498.155	2143.728	3085.473	96	
97	1097.468	1566.572	2251.915	3256.174	97	
98	1142.367	1638.068	2365.510	3436.264	98	
99	1189.061	1712.781	2484.786	3626.258	99	
100	1237.624	1790.856	2610.025	3826.702	100	

EXHIBIT "P-1" - Affidavit of
John Victor Moore - 15th April 1967.

Exhibits
Exhibit "P-1"

Affidavit of
John Victor
Moore

15th April 1967.

IN THE SUPREME COURT OF HONG KONG
ORIGINAL JURISDICTION
ACTION NO.1382 OF 1965

B E T W E E N:

CHANG LAN SHENG Plaintiff

and

THE ATTORNEY GENERAL Defendant

I, JOHN VICTOR MOORE of Imperial 10
Hotel, Kowloon in the Colony of Hong Kong,
Chartered Surveyor do make oath and say as
follows :-

1. I am a Chartered Surveyor and hold
the qualifications of F.R.I.C.S., F.I.A.R.B.,
I am the Past Chairman of the Royal Institut-
ion of Chartered Surveyors Hong Kong Branch.
2. I am the Manger of Messrs. Harrimans
Realty Co. Ltd. of Union House, Hong Kong.
3. I have perused the following documents:-- 20
 - (a) The terms of the renewal option con-
tained in the Crown Lease (at page 7)
of the Plaintiff's property Kowloon
Inland Lot No.3793 situate at Nos.45-
47 Carnarvon Road, Kowloon containing
an area of 3293 sq.ft.;
 - (b) The Alternative Terms offered by
Government in the Memorandum of
"Alternative Terms" enclosed with the
letter dated the 10th August, 1964 30
written by one R.E.S. Law for the
Superintendent of Crown Lands &
Survey, marked as Exhibit C7 produced
at the trial of this Action;

(c) Another letter written by the said R.E.S. Law for the Superintendent of Crown Lands and Survey dated the 14th April 1965 (in reply to a letter dated 2nd April 1965 written by Messrs. Peter Mark & Co.) marked as Exhibit C20 produced at the trial of this Action; and

Exhibits
Exhibit "P-1"

Affidavit of
John Victor
Moore

15th April 1967.
(contd.)

10 (d) A bundle of documents marked as Exhibits "A-1 to A-10 inclusive and Exhibits "G"; "G-1 to G-35" inclusive "H" and "H-1 to H-14" inclusive at the trial of this Action.

4. Having perused the said documents and having given my very careful consideration to the aforesaid documents I have the following opinions to express as an expert :-

20 (a) There are 2 methods of assessment, one for Renewal cases and the other for Regrant cases, relating to renewable and non-renewable Crown Leases respectively;

(b) In the Plaintiff's case, which is one of a renewable Crown Lease Government has applied the following formula :-

30 (i) Capital value of the land
= 3293 sq.ft. at \$375.00 per
sq.ft. = \$1,234,875.00
Decapitalized at 5% for 75 years
= .0489

\$60,386.00

At Zone Crown Rent 3293 sq.ft.
at \$5,000.00 per annum per acre.
= 378.00

\$60,764.00

40 (ii) On the other hand, the regrant cases are charged a premium on the following bases-quoting extract from Memorandum of "Regrant of New Crown Leases for 75 years Nonrenewable Crown Leases" dated the 18th October, 1960. "The payment of a premium for which New Lease will be based on the full market value of the Land (exclusive of buildings

Exhibits
Exhibit "P-1"

 Affidavit of
 John Victor
 Moore

 15th April 1967
 (contd.)

thereon) according to the rate prevailing in the locality at the time of the application and will be payable over and above the Crown Rent. The premium will be payable in one lump sum or at the option of the Lessee, by instalments over an agreed period not exceeding 21 years with interest at 10% per annum".

- (c) The basis for assessing the Crown Rent in the Plaintiff's case is similar to that of assessing the premium for the regrants cases. There is therefore similarity between the two methods, except that once the capital figure is ascertained the following differences in respect of the ascertained sum are made :-
 - (i) in the non-renewable leases the sum is labelled "premium" whilst in the renewable ones it is labelled "rent";
 - (ii) in the non-renewable leases the sum is payable over a shorter period from that of the whole term of the lease whilst in the renewable cases it is payable during the whole term of the lease except for one year; and
 - (iii) the rate of interest varies: in the non-renewable leases it is 10% whilst in the renewable ones it is 5%.

However I have noticed that in Exhibit "C-B" (a non-renewable lease), the premium is payable over the period of 74 years and the rate of interest is 5%.

- 5. It is observed from the "Proposed term for renewal of lease" contained in the Resumption Officer's report attached to the Land Officer's letter Ref. 498/1936 dated the 8th July, 1936 for the grant of the existing Crown Lease of the Plaintiff's property that a premium was calculated for such grant and the Crown Rent re-assessed and charged was the then prevailing Zone Crown Rent (i.e. \$1,000.00 per acre per annum). As no fine or premium is to be paid in respect of the renewable lease it is my considered opinion that the revised Crown Rent should therefore

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be based on the Zone Crown Rent applicable to the Plaintiff's property at the date when the renewal term commenced i.e. the 24th June, 1963. (in other words, the Regrant terms as aforesaid applicable to non-renewable Crown Leases but less the amount of the premium charged thereby). It is my view that the Government has equated the two methods of assessment for both the Renewal and the Regrant cases and that the proper method of assessment in this case would be to apply the same Regrant terms but excluding the amount of the premium included therein.

Exhibits
Exhibit "P-1"
 - - - -
 Affidavit of
 John Victor
 Moore
 - - - -
 15th April 1967
 (contd.)

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6. In all the circumstances of the case and in the light of the evidence available to me, it is my opinion that the formula used for the calculation of Crown Rent in respect of the first term of the lease should also similarly be adopted. The relevant calculation are

(a) Revised Crown Rent 1936

$$\frac{\$(1,000.00 \times 3313)}{43,500 \text{ (sq.ft. to 1 acre)}}$$

= \$76.00 p.a. (to nearest even)

(b) Revised Crown Rent 1963

$$\frac{\$(5,000.00 \times 3313)}{43,500 \text{ (sq.ft. to 1 acre)}}$$

= \$378.00 p.a. (to nearest even)

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I had agreed and was prepared to testify at the trial of this action to the foregoing matters but because in the interim, my long home leave becomes due on the 14th April, 1967 I will depart from this Colony on the 15th April 1967 and will not be returning for several months. As it is impossible to postpone my departure I am therefore unable to attend at the trial at its resumption from the 17th April, 1967 to give viva voce evidence.

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Exhibits
Exhibit "P-1"
- - - -
Affidavit of
John Victor
Moore
- - - -
15th April 1967.
(contd.)

- 8. I do not have interest at all in the result of the proceedings herein.
- 9. The contents of this my affidavit are true.

SWORN at the Courts of Justice,) (sd.)
 Victoria, Hong Kong this)
 15th day of April, 1967.) J V Moore

Before me,
 (sd.) C.M. Leung
 A Commissioner &c . 10

EXHIBIT "P-3" - Grant of New Crown
Leases for Lots Held on 75-year
non-renewable Crown Leases.

Exhibits
Exhibit "P-3"

Grant of New
Crown Leases for
Lots held on 75-
year non-renewable
Crown Leases

- - - - -
New Terms & Conditions Set out by Government

10 It was announced by Government at 1.00 p.m. today (Tuesday) that the following terms and conditions will apply immediately to all new formal written applications for grants of new Crown Leases for lots at present held on 75-year non-renewable leases.

The old terms and conditions made public on February 22, 1949 will only apply to all formal written applications already received by the Director of Public Works at the time of this announcement, which has been made to inform the public of Government's intentions and is without prejudice to any of the rights of the Crown to vary or modify the terms and conditions set out below :

- 20 1. Applications No application for the grant of a new Crown lease will, save in exceptional circumstances, be considered where there are more than 20 years unexpired of the original leasehold term still to run.
- 2. Title. Each applicant for a new Crown lease will be required to satisfy the Land Officer that he has a clean title to his existing lease, and an effective surrender to the Crown of the existing term or
- 30 interest must be executed at the time of grant of each new lease or agreement therefor
- 3. Term. Each new Crown lease will normally be for a term of 75 years plus the unexpired portion of the original term, but Government reserves the right to reduce this term in any particular case.
- 4. Crown Rent. Crown rent will continue at the rate applicable under the existing lease for the period of the unexpired residue of the original term. Upon the
- 40

Exhibits
Exhibit "P-3"

Grant of New
Crown Leases for
lots Held on 75-
year non-renewable
Crown Leases
(contd.)

5. expiration of that period the Crown rent for the subsequent term will be at a reassessed rate determined by Government, and according to the rate or scale of Crown rent being charged by Government for new leased of land in the same district at that time.
5. Premium. The payment of a premium for each new lease will be based on the full market value of the land (exclusive of the buildings thereon) according to the rates prevailing in the locality at the time of the application and will be payable over and above the Crown rent. The premium will be payable in one lump sum or, at the option of the lessee, by instalments over an agreed period not exceeding 21 years, but subject to the following points :-
- (a) where a non-renewable lease is assigned after the date of this announcement and within five years of the date of expiry or application for a new grant, the premium for the grant of a new lease shall be payable at the time of the grant in a lump sum except in those cases covered by sub-paragraph (1) of paragraph 5A; 10 20
- (b) where a lessee has the option and chooses to pay his premium by instalments, interest in respect of the deferred payments shall be at the rate of ten per cent per annum; 30
- (c) where a lessee sub-leases or otherwise deals with the whole or any section of the lot covered by his lease or agreement for any period which exceeds or may exceed seven years, he shall first pay the outstanding balance of the premium instalments and interest in respect of the whole or the section so affected at the time of sub-leasing or other dealing; 40
- (d) where a lessee assigns or otherwise deals with any section of the lot covered by

his lease or agreement therefor, he shall first pay the outstanding balance of the premium instalments and interest in respect of the section so affected, at the time of assignment or other dealing;

Exhibits.
Exhibit "P-3"

- - - -
Grant of New
Crown Leases for
Lots Held on 75-
year non-renewable
Crown Leases.
(contd.)

10 (e) where a lessee assigns or otherwise deals in any undivided share of the lot covered by his lease or agreement therefor or of the buildings thereon, he shall first pay the outstanding balance of premium instalment and interest in respect of the whole lot in a lump sum at the time of assigning or other dealing with the first undivided share;

20 (f) where a lessee sub-leases or agrees or purports to sub-lease or otherwise deal with an undivided share in a lot covered by his lease or agreement therefor, he shall first pay the outstanding balance of premium instalments and interest in respect of the whole lot in a lump sum at the time of such sub-lease, agreement or other dealing in the first undivided share;

30 (g) where a lessee assigns, sub-leases or otherwise deals with a lot or any section thereof or interest therein by means of a horizontal sub-division, he shall first pay the outstanding balance of premium instalments and interest in respect of the whole lot in a lump sum at the time of such assignment, sub-lease or dealing.

5A. Flatted Development.

(1) If at the date of the application for the grant of a new Crown lease of a piece of land

(a) there was on the land a building which the Land Officer is satisfied was then sub-divided into separately owned flats, and

40 (b) the piece of land does not in addition to the site of that building contain any other land which in the

Exhibits
Exhibit "P-3"

 Grant of New
 Crown Leases for
 Lots Held on 75-
 year non-renewable
 Crown Leases.
 (contd.)

opinion of the Director of Public Works
 is capable of separate development,*

then, notwithstanding that there may have
 been an assignment within the period speci-
 fied in paragraph 5(a), the applicant shall
 have the option of paying the premium by
 instalments over an agreed period not exceed-
 ing 21 years, and the premium applicable to
 the site of the building may continue to be
 paid by instalments after any assignment or
 sub-lease of or dealing with any flat there-
 in, notwithstanding the provisions of sub-
 paragraph (e), (f) and (g) of paragraph 5.
 Where however, the building standing on
 the site at the date of the application for
 the grant of a new Crown lease is subsequen-
 tly replaced by a building having increased
 accommodation sub-paragraphs (e), (f) and
 (g) shall thereafter apply.

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*If the piece of land does contain such
 other land, it will be open to the app-
 licant to make separate applications for
 new Crown leases in respect of the site
 of the building and such other land,

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- (2) Where the Crown has granted or agreed to
 grant a new Crown lease with the premium
 payable by instalments then, if there is
 on the lot a building which the Land
 Officer is satisfied was sub-divided into
 separately owned flats before the date of
 the application for regrant, the premium
 applicable to the site of the building
 may continue to be paid by instalments
 after any assignment or sub-lease of or
 dealing with any flat therein, notwith-
 standing the provisions of sub-paragraphs
 (e), (f) and (g) of paragraph 5. Where,
 however, any building standing on the lot
 at the date of application for the grant
 of a new Crown lease is subsequently
 replaced by a building having increased
 accommodation sub-paragraphs (e), (f)
 and (g) shall thereafter apply

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6. The Conditions of Grant and Lease will con-
 tain such provisions as the Land Officer

may consider suitable prohibiting any of the transactions mentioned in paragraph 5, or agreements therefor, without his consent, a condition for the giving of which will be the fulfilment of the appropriate terms indicated in paragraph 5.

Exhibits
Exhibit "P-3"

- - - -
Grant of New
Crown Leases for
Lots Held on 75-
Year non-renewable
Crown Leases.
(contd.)

7 In arriving at the premium payable for the new grant, allowance will be made for the contingency of the lessee having to pay compensation to tenants who may be protected under the Landlord and Tenants Ordinance so as to enable the lessee to obtain vacant possession of his land. As far as possible premises which are occupied by such protected tenants will be valued by comparison with actual sales of similar property in the locality at the time of application.

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8. Building and Repairing Covenants.

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(a) A Building Covenant will be imposed in each new grant according to the nature and locality of the lot, the extent of the existing development of the land and the state of repair and condition of the buildings thereon.

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(b) Failure to comply with a Building Covenant within the period prescribed in the new grant will render a lessee liable to forfeiture of his lease or agreement therefor to the Crown without payment or allowance in respect of the premium he has paid or any amount expended by him in the partial development of the land or any compensation whatsoever.

40

(c) There will be no restriction against any sale, sub-letting or other alienation of the land covered by a new grant subject to the payment of any outstanding balance of premium instalments and interest, as has been stated above.

Exhibits
Exhibit "P-3"

Grant of New
Crown Leases for
Lots Held on 75-9
year non-renewable
Crown Leases.
(contd.)

(d) There will be a covenant in each new grant requiring the lessee to maintain and repair all buildings erected, or to be erected, on the land throughout the term of the new lease.

Hillside and waste land. Where any lot embraces areas of hillside or other waste land due allowance will be made therefor in determining the premium and Crown rent.

- | | | |
|-----|---|----|
| 10. | Lease A separate lease will be granted for each site. | 10 |
| 11. | Boundaries and Crown Reserves. If it is found that ground areas or boundaries in use do not correspond with those appearing on the original lease, adjustments, for the purpose of the new lease, will be determined by the Director of Public Works. Areas included in the original lease which may be required for Crown reserves, such as for future road widenings, will not be included in the new Crown lease nor will any compensation or allowance be paid in respect of such areas | 20 |
| 12. | Private streets, roads, scavenging-lanes etc Private streets, or roads, and scavenging or other lanes if any, and any land required therefor, will be included in, or excluded from, each new lease at the sole discretion of the Director of Public Works and no compensation or allowance will be paid or made in respect of any area so excluded. | 30 |
| 13. | Land Office and other fees. The prescribed fees will be payable for the preparation and registration each new lease, including all Land Office fees in respect of any surrender of the original lease. Fees will also be charged for any determination of Crown rent under the Crown Rents (Apportionment) Ordinance that may be required. The prescribed fees will also be charged for all new survey and boundary stones. | 40 |

14. Usual Leasehold Covenants and Provisions to apply New leases will be granted upon the same terms and will be subject to the same exceptions, reservations, covenants and conditions as are contained in the current leases but with such variations, additions or revisions as may, in the opinion of the Land Officer, be required to give effect to the conditions set out in this announcement, and also to accord with modern Crown lease provisions appropriate to the locality in which each lot is situate
- 10
15. Formal Agreement. In each case the applicant for a new grant will be informed by a preliminary letter from the Director of Public Works of the amount of premium which he will be required to pay, the extent and nature of the Building Covenant proposed and any restrictive clauses that it is intended to apply to the new grant. If the applicant is prepared to accept these terms he will be required to enter into a formal agreement, in a form to be approved by the Land Officer, such agreement to be registered at the Land Office and to be followed in due course (upon fulfilment of the Building Covenant and other conditions to the satisfaction of the Director of Public Works and the Land Officer) by the issue of a new Crown lease.
- 20
- 30
16. If, within three months of receiving the preliminary statement of terms from the Director of Public Works, an applicant should not have signified in writing his willingness to accept the proposed terms, or if, within one month of receiving the formal agreement embodying such terms he should not have executed the same to the satisfaction of the Land Officer, the terms will be deemed to have been withdrawn and Government will thereupon be free to negotiate with any other parties for the grant of a new lease of the property from the date of expiration of the current term.
- 40
- Exhibits
 Exhibit "P-3"
 - - - -
 Grant of New
 Crown Leases for
 Lots Hold on 75-
 year non-renewabl
 Crown Leases.
 (contd.)

Exhibits
Exhibit "P-3"

Grant of New
Crown Leases for
Lots Held on 75-
year non-renewable
Crown Leases.
(contd.)

- 17 Time Limit for applications. No new leases will be granted except to existing lessees who have submitted formal written applications and subject to the rights of Government in its absolute discretion to grant any new lease. Formal written application for grant of any new lease must be made at least six months before expiry of the original lease, failing which the land and all buildings thereon will automatically revert absolutely to the Crown. 10
18. The terms and conditions set out in this announcement will not apply to any land used for Chinese temples and other religious, educational or welfare purposes where the land is at present held on a 75-year non-renewable lease. The terms and conditions of each new grant in such cases will be subject to the approval of the Governor-in-Council. Government reserves the right at any time to withdraw the terms set out above and to substitute fresh terms or not to grant new leases. 20

EXHIBIT "Q-1" - Explanation of the leasehold value of a tenancy for 27 years giving a nett income of \$888.26 each year.

Exhibits
Exhibit "Q-1"

Explanation of the leasehold value of a tenancy for 27 years giving a nett income of \$888.26 each year.

Nett income =	888.26
Y.P. =	11.987
C.V =	10647.57
	=====

Explanation

		10,647.57
	Add 7% - - - - -	745.3299
		<u>11,392.8999</u>
10	1st years income - - - - -	888.26
	Capital 2nd year - - - - -	10,504.6399
	2nd years interest 7% - - - - -	735.3248
		<u>11,239.9647</u>
	2nd years income - - - - -	888.26
	Capital 3rd year - - - - -	10,351.7047
	3rd years interest 7% - - - - -	724.6193
		<u>11,076.3240</u>
	3rd years income - - - - -	888.26
	Capital 4th year - - - - -	10,188.0640
	4th years interest 7% - - - - -	713.1645
		<u>10,901.2285</u>
20	4th years income - - - - -	888.26
	Capital 5th year - - - - -	10,012.9685
	5th years interest 7% - - - - -	700.9078
		<u>10,713.8763</u>
	5th years income - - - - -	888.26
	Capital 6th year - - - - -	9,825.6163
	6th years interest 7% - - - - -	687.7931
		<u>10,513.4094</u>
	6th years income - - - - -	888.26
	Capital 7th year - - - - -	9,625.1494
	7th years interest 7% - - - - -	673.7605
		<u>10,298.9099</u>
	7th years income - - - - -	888.26
	Capital 8th year - - - - -	9,410.6499
30	8th years interest 7% - - - - -	658.7455
		<u>10,069.3954</u>
	8th years income - - - - -	888.26
	Capital 9th year - - - - -	9,181.1354
	9th years interest 7% - - - - -	642.6795
		<u>9,823.8149</u>

<u>Exhibits</u>	<u>Explanation (Cont'd)</u>	B/F	
Exhibit "Q-1"			9,823.8149
- - - -	9th years income -----		888.26
Explanation of the leasehold value of a tenancy for 27 years giving a nett income of \$888.26 each year. (contd.)	Capital 10th year -----		8,935.5549
	10th years interest 7% -----		625.4888
			<u>9,561.0437</u>
	10th years income -----		888.26
	Capital 11th year -----		8,672.7837
	11th years interest 7% -----		607.0949
			<u>9,279.8786</u>
	11th years income -----		888.26
	Capital 12th year -----		8,391.6186
	12th years interest 7% -----		587.4133
			<u>8,979.0319</u>
	12th years income -----		888.26
	Capital 13th year -----		8,090.7719
	13th years interest 7% -----		566.3540
			<u>8,657.1259</u>
	13th years income -----		888.26
	Capital 14th year -----		7,768.8659
	14th years interest 7% -----		543.8206
			<u>8,312.6865</u>
	14th years income -----		888.26
Capital 15th year -----		7,424.4265	
15th years interest 7% -----		519.7099	
		<u>7,944.1364</u>	
15th years income -----		888.26	
Capital 16th year -----		7,055.8764	
16th years interest 7% -----		493.9113	
		<u>7,549.7877</u>	
16th years income -----		888.26	
Capital 17th year -----		6,661.5277	
17th years interest 7% -----		466.3069	
		<u>7,127.8346</u>	
17th years income -----		888.26	
Capital 18th year -----		6,239.5746	
18th years interest 7% -----		436.7702	
		<u>6,676.3448</u>	
18th years income -----		888.26	
Capital 19th year -----		5,788.0848	
19th years interest 7% -----		405.1659	
		<u>6,193.2507</u>	
19th years income -----		888.26	
Capital 20th year -----		5,304.9907	
20th years interest 7% -----		371.3493	
		<u>5,676.3400</u>	

C/F

<u>Explanation</u> (Cont'd)			<u>Exhibits</u>
	B/F	5,676.3400	Exhibit "Q-1"
20th years income -----		888.26	-----
Capital 21st year -----		4,788.0800	Explanation of
21st years interest 7% -----		335.1656	the Leasehold
		5,123.2456	value of a tenancy
21st years income -----		888.26	for 27 years giving
Capital 22nd year -----		4,234.9856	a nett income of
22nd years interest 7% -----		296.4490	\$888.26 each year.
		4,531.4346	(contd.)
22nd years income -----		888.26	
Capital 23rd year -----		3,643.1746	
23rd years interest 7% -----		255.0222	
		3,898.1968	
23rd year income -----		888.26	
Capital 24th year -----		3,009.9368	
24th years interest 7% -----		210.6956	
		3,220.6324	
24th years income -----		888.26	
Capital 25th year -----		2,332.3724	
25th years interest 7% -----		163.2661	
		2,495.6385	
25th years income -----		888.26	
Capital 26th year -----		1,607.3785	
26th years interest 7% -----		112.5165	
		1,719.8950	
26th years income -----		888.26	
Capital 27th year -----		831.6350	
27th years interest 7% -----		58.2145	
		889.8495	
27th years income -----		888.26	
Capital 28th year -----		1.5895	
28th years interest 7% -----		0.1113	
		1.7008	

Exhibits
 Exhibit "Q-3"

 Explanation of the
 Leasehold value
 of a tenancy for
 perpetuity giving
 a nett income of
 \$832.00 each year.

EXHIBIT "Q-3" - Explanation of the
 leasehold value of a tenancy for
 perpetuity giving a nett income of
 \$832.00 each year.

 Capital value = 11885.95
 7% x .07
 832.0165

The small error is due to the
 inaccuracy of the last figure in
 the tables.

10

This illustrates that a sum of
 \$11885.95 will give an annual
 income of \$832.00 (if invested
 at 7%) for ever.

Exhibit "Q-5"

 Explanation of
 figure of 0.0489

EXHIBIT "Q-5" - Explanation of figure
 of 0.0489

 This can be calculated in two different
 ways from tables.

METHOD 1

- (a) What sum of money will a unit of 1 become
 if invested at 5% compound interest for
 74 years ?

20

Ans. (Parry's Val Tables P.91) --- 36.984

- (b) How much is the annual sinking fund payment
 to provide a unit of 1 in 75 years time ?

Ans. (Parry's Val Tables P.79) ---0.0013216

- (c) How much is the annual sinking fund payment
 to provide 36.984 in 75 years ?

Ans. (a) x (b) ----- 0.0488780544

The reason why 74 years is taken in (a) is that the annual sinking fund payments are made in advance so the principal will be redeemed at the beginning of the 75th year (i.e. at the expiration of 74 years).

Exhibits

Exhibit "Q-5"

Explanation of
figure of 0.0489
(contd.)

- (a) is the amount to which £1 invested now will accumulate at compound interest.
- (b) is the sum which, if invested at the end of each year, will accumulate at compound interest to £1.

10

METHOD 2

- (a) What sum of money will a unit of 1 become if invested at 5% compound interest for 74 years.

Ans. (Parry's Val Tables P.91--36.984

- (b) How much will an annual unit of 1 invested each year at 5% compound interest amount to in 75 years.

Ans. (Parry's Val Tables P.111)
----- 756.654

20

- (c) How much is the annual payment to provide 36.984 in 75 years ?

Ans. = $a \div b$ ----- 0.048878351267

In other words 756.654 is the reciprocal of 0.0013216 but is perhaps easier to understand.

The reason why 74 years is taken in (a) is that the annual payments are made in advance so the principal will be redeemed at the beginning of the 75th year (i.e. at the expiration of 74 years).

30

- (a) is the amount £1 invested now will accumulate at compound interest.
- (b) is the amount which £1 per annum invested at the end of each year will accumulate at compound interest.

Exhibits
 Exhibit "Q-5"

 Explanation of
 figure of 0.0489
 (contd.)

This figure of 0.0489 is not to be found in any tables but may be obtained from tables. It is referred to hereinafter as "P.W.D. multiplier".

THE EFFECT OF P.W.D. MULTIPLIER IN THIS CASE
(5% COMPOUND INTEREST)

CAPITAL SUM ----- \$1234875

The amount which \$1234875 invested now will amount to in 74 years

$$= 36.984 \times \left(\frac{1234875}{\text{(to nearest dollar)}} \right) \text{ ----- } \underline{\underline{\$45,670,617}} \quad 10$$

The amount of the annual sinking fund payment to provide 45,670,617 in 74 years

$$= 45,670,617 \times 0.0013216 \text{ ----- } \underline{\underline{\$60,358}} \text{ (to nearest dollar)}$$

Check (i) The annual sinking fund payment
 = $1234875 \times 0.0489 \text{ ----- } \underline{\underline{\$60,385}}$
 (to nearest dollar)

Check (ii) $\frac{1234875 \times 36.984}{756.654} \text{ ----- } \underline{\underline{\$60,359}}$ 20

The foregoing method can be explained also by treating annual payments as being applied to pay interest and reduce the principal borrowed (as in mortgage transactions).

It will be seen that after 75 years the principal is repaid. The overpayment possibly is an error caused by rounding off in the tables.

The total amount of actual cash paid in 75 years will be 75×60386 i.e. \$4,528,950. 30

The amount of the principal is \$1234,875 and the amount of interest is \$3,294,075.

	Sum due -----	1,234,875
	instalment paid 1963 -----	60,386
		<u>1,174,489</u>
	Interest due 1963 5% -----	58,724
	Principal 1964 -----	1,233,213
	instalment paid 1964 -----	60,386
		<u>1,172,827</u>
	Interest due 1964 5% -----	58,641
	Principal 1965 -----	1,231,468
	instalment paid 1965 -----	60,386
		<u>1,171,082</u>
10	Interest due 1965 5% -----	58,554
	Principal 1966 -----	1,229,636
	Instalment paid 1966 -----	60,386
		<u>1,169,250</u>
	Interest due 1966 5% -----	58,463
	Principal 1967 -----	1,227,713
	Instalment paid 1967 -----	60,386
		<u>1,167,327</u>
	Interest due 1967 5% -----	58,366
	Principal 1968 -----	1,225,693
	Instalment paid 1968 -----	60,386
		<u>1,165,307</u>
	Interest due 1968 5% -----	58,265
20	Principal 1969 -----	1,223,572
	Instalment paid 1969 -----	60,386
		<u>1,163,186</u>
	Interest due 1969 5% -----	58,159
	Principal 1970 -----	1,221,345
	Instalment paid 1970 -----	60,386
		<u>1,160,959</u>
	Interest due 1970 5% -----	58,048
	Principal 1971 -----	1,219,007
	Instalment paid 1971 -----	60,386
		<u>1,158,621</u>
	Interest due 1971 5% -----	57,931
	Principal 1972 -----	1,216,552
	Instalment paid 1972 -----	60,386
		<u>1,156,166</u>
30	Interest due 1972 5% -----	57,808
	Principal 1973 -----	1,213,974
	Instalment paid 1973 -----	60,386
		<u>1,153,588</u>
	Interest due 1973 5% -----	57,679
	Principal 1974 -----	1,211,267
	Instalment paid 1974 -----	60,386
		<u>1,150,881</u>

Exhibits

Exhibit "Q-5"

Explanation of
figure of 0.0489
(contd.)

		B/F	1,150,881	
<u>Exhibits</u>	Interest due 1974 5% -----		57,544	
Exhibit "Q-5"	Principal 1975 -----		1,208,423	
-----	Instalment paid 1975 -----		60,386	
Explanation of			1,148,039	
figure of 0.0489	Interest due 1975 5% -----		57,402	
(contd,)	Principal 1976 -----		1,205,441	
	Instalment paid 1976 -----		60,386	
			1,145,055	
	Interest due 1976 5% -----		57,253	
	Principal 1977 -----		1,202,308	
	Instalment paid 1977 -----		60,386	
			1,141,922	
	Interest due 1977 5% -----		57,096	10
	Principal 1978 -----		1,199,018	
	Instalment paid 1978 -----		60,386	
			1,138,632	
	Interest due 1978 5% -----		56,932	
	Principal 1979 -----		1,195,564	
	Instalment paid 1979 -----		60,386	
			1,135,178	
	Interest due 1979 5% -----		56,759	
	Principal 1980 -----		1,191,937	
	Instalment paid 1980 -----		60,386	
			1,131,551	
	Interest due 1980 5% -----		56,578	
	Principal 1981 -----		1,188,129	20
	Instalment paid 1981 -----		60,386	
			1,127,743	
	Interest due 1981 5% -----		56,387	
	Principal 1982 -----		1,184,130	
	Instalment paid 1982 -----		60,386	
			1,123,744	
	Interest due 1982 5% -----		56,187	
	Principal 1983 -----		1,179,931	
	Instalment paid 1983 -----		60,386	
			1,119,545	
	Interest due 1983 5% -----		55,977	
	Principal 1984 -----		1,175,522	
	Instalment paid 1984 -----		60,386	30
			1,115,136	
	Interest due 1984 5% -----		55,757	
	Principal 1985 -----		1,170,893	
	Instalment paid 1985 -----		60,386	
			1,110,507	
	Interest due 1985 5% -----		55,525	
	Principal 1986 -----		1,166,032	
	Instalment paid 1986 -----		60,386	
			1,105,646	

		B/F	1,105,646	
	Interest due 1986 5%	-----	55,282	Exhibits
	Principal 1987	-----	1,160,928	Exhibit "Q-5"
	Instalment paid 1987	-----	60,386	- - - -
			<u>1,100,542</u>	Explanation of figure
	Interest due 1987 5%	-----	55,027	of 0.0489
	Principal 1988	-----	1,155,569	(contd.)
	Instalment paid 1988	-----	60,386	
			<u>1,095,183</u>	
	Interest due 1988 5%	-----	54,759	
	Principal 1989	-----	1,149,942	
	Instalment paid 1989	-----	60,386	
			<u>1,089,556</u>	
10	Interest due 1989 5%	-----	54,478	
	Principal 1990	-----	1,144,034	
	Instalment paid 1990	-----	60,386	
			<u>1,083,648</u>	
	Interest due 1990 5%	-----	54,182	
	Principal 1991	-----	1,137,830	
	Instalment paid 1991	-----	60,386	
			<u>1,077,444</u>	
	Interest due 1991 5%	-----	53,872	
	Principal 1992	-----	1,131,316	
	Instalment paid 1992	-----	60,386	
			<u>1,070,930</u>	
20	Interest due 1992 5%	-----	53,547	
	Principal 1993	-----	1,124,477	
	Instalment paid 1993	-----	60,386	
			<u>1,064,091</u>	
	Interest due 1993 5%	-----	53,205	
	Principal 1994	-----	1,117,296	
	Instalment paid 1994	-----	60,386	
			<u>1,056,910</u>	
	Interest due 1994 5%	-----	52,846	
	Principal 1995	-----	1,109,756	
	Instalment paid 1995	-----	60,386	
			<u>1,049,370</u>	
	Interest due 1995 5%	-----	52,469	
	Principal 1996	-----	1,101,839	
30	Instalment paid 1966	-----	60,386	
			<u>1,041,453</u>	
	Interest due 1996 5%	-----	52,073	
	Principal 1997	-----	1,093,526	
	Instalment paid 1997	-----	60,386	
			<u>1,033,140</u>	
	Interest due 1997 5%	-----	51,657	
	Principal 1998	-----	1,084,797	
	Instalment paid 1998	-----	60,386	
			<u>1,024,411</u>	

		B/F	1,024,411	
<u>Exhibits</u>	Interest due 1998 5% -----		51,220	
<u>Exhibit "Q-5"</u>	Principal 1999 -----		1,075,631	
- - - -	Instalment paid 1999 -----		60,386	
Explanation of			1,015,245	
figure of 0.0489	Interest due 1999 5% -----		50,762	
(contd.)	Principal 2000 -----		1,066,007	
	Instalment paid 2000 -----		60,386	
			1,005,621	
	Interest due 2000 5% -----		50,281	
	Principal 2001 -----		1,055,902	
	Instalment paid 2001 -----		60,386	
			995,516	
	Interest due 2001 5% -----		49,776	10
	Principal 2002 -----		1,045,292	
	Interest paid 2002 -----		60,386	
			984,906	
	Interest due 2002 5% -----		49,245	
	Principal 2003 -----		1,034,151	
	Instalment paid 2003 -----		60,386	
			973,765	
	Interest due 2003 5% -----		48,688	
	Principal 2004 -----		1,022,453	
	Instalment paid 2004 -----		60,386	
			962,067	
	Interest due 2004 5% -----		48,103	
	Principal 2005 -----		1,010,170	20
	Instalment paid 2005 -----		60,386	
			949,784	
	Interest due 2005 5% -----		47,489	
	Principal 2006 -----		997,273	
	Instalment paid 2006 -----		60,386	
			936,887	
	Interest due 2006 5% -----		46,844	
	Principal 2007 -----		983,731	
	Instalment paid 2007 -----		60,386	
			923,345	
	Interest due 2007 5% -----		46,167	
	Principal 2008 -----		969,512	
	Instalment paid 2008 -----		60,386	30
			909,126	
	Interest due 2008 5% -----		45,456	
	Principal 2009 -----		954,582	
	Instalment paid 2009 -----		60,386	
			894,196	
	Interest due 2009 5% -----		44,710	
	principal 2010 -----		938,906	
	Instalment paid 2010 -----		60,386	
			878,520	

		B/F	878,520
	Interest due 2010 5%	-----	43,926
	Principal 2011	-----	922,446
	Instalment paid 2011	-----	60,386
			<u>862,060</u>
	Interest due 2011 5%	-----	43,103
	Principal 2012	-----	905,163
	Instalment paid 2012	-----	60,386
			<u>844,777</u>
	Interest due 2012 5%	-----	42,239
	Principal 2013	-----	887,016
	Instalment paid 2013	-----	60,386
			<u>826,630</u>
10	Interest due 2013 5%	-----	41,332
	Principal 2014	-----	867,962
	Instalment paid 2014	-----	60,386
			<u>807,576</u>
	Interest due 2014 5%	-----	40,379
	Principal 2015	-----	847,955
	Instalment paid 2015	-----	60,386
			<u>787,569</u>
	Interest due 2015 5%	-----	39,378
	Principal 2016	-----	826,947
	Instalment paid 2016	-----	60,386
			<u>766,561</u>
	Interest due 2016 5%	-----	38,328
20	Principal 2017	-----	804,889
	Instalment paid 2017	-----	60,386
			<u>744,503</u>
	Interest due 2017 5%	-----	37,225
	Principal 2018	-----	781,728
	Instalment paid 2018	-----	60,386
			<u>721,342</u>
	Interest due 2018 5%	-----	36,067
	Principal 2019	-----	757,409
	Instalment paid 2019	-----	60,386
			<u>697,023</u>
	Interest due 2019 5%	-----	34,851
	Principal 2020	-----	731,874
30	Instalment paid 2020	-----	60,386
			<u>671,488</u>
	Interest due 2020 5%	-----	33,574
	Principal 2021	-----	705,062
	Instalment paid 2021	-----	60,386
			<u>644,676</u>
	Interest due 2021 5%	-----	32,234
	Principal 2022	-----	676,910
	Instalment paid 2022	-----	60,386
			<u>616,524</u>

C/F

Exhibits

Exhibit "Q-5"

Explanation of
figure of 0.0489

(contd.)

		B/F	616,524	
<u>Exhibits</u>	Interest due 2022 5%	-----	30,826	
<u>Exhibit "Q-5"</u>	Principal 2023	-----	647,350	
	Instalment paid 2023	-----	60,386	
			<u>586,964</u>	
Explanation of figure of 0.0489 (contd.)	Interest due 2023 5%	-----	29,348	
	Principal 2024	-----	616,312	
	Instalment paid 2024	-----	60,386	
			<u>555,926</u>	
	Interest due 2024 5%	-----	27,796	
	Principal 2025	-----	583,722	
	Instalment paid 2025	-----	60,386	
			<u>523,336</u>	
	Interest due 2025 5%	-----	26,167	10
	Principal 2026	-----	549,503	
	Instalment paid 2026	-----	60,386	
			<u>489,117</u>	
	Interest due 2026 5%	-----	24,456	
	Principal 2027	-----	513,573	
	Instalment paid 2027	-----	60,386	
		<u>453,187</u>		
Interest due 2027 5%	-----	22,659		
Principal 2028	-----	475,846		
Instalment paid 2028	-----	60,386		
		<u>415,460</u>		
Interest due 2028 5%	-----	20,773		
Principal 2029	-----	436,233	20	
Instalment paid 2029	-----	60,386		
		<u>375,847</u>		
Interest due 2029 5%	-----	18,792		
Principal 2030	-----	394,639		
Instalment paid 2030	-----	60,386		
		<u>334,253</u>		
Interest due 2030 5%	-----	16,713		
Principal 2031	-----	350,966		
Instalment paid 2031	-----	60,386		
		<u>290,580</u>		
Interest due 2031 5%	-----	14,529		
Principal 2032	-----	305,109		
Instalment paid 2032	-----	60,386	30	
		<u>244,723</u>		
Interest due 2032 5%	-----	12,236		
Principal 2033	-----	256,959		
Instalment paid 2033	-----	60,386		
		<u>196,573</u>		
Interest due 2033 5%	-----	9,829		
Principal 2034	-----	206,402		
Instalment paid 2034	-----	60,386		
		<u>146,016</u>		
		C/F		

699.

	B/F	146,016
Interest due 2034 5%	-----	<u>7,301</u>
Principal 2035	-----	153,317
Instalment paid 2035	-----	<u>60,386</u>
		92,931
Interest due 2035 5%	-----	<u>4,647</u>
Principal 2036	-----	97,578
Instalment paid 2036	-----	<u>60,386</u>
		37,192
Interest due 2036 5%	-----	<u>1,860</u>
Principal 2037	-----	39,052
Instalment paid 2038	-----	<u>60,386</u>
Overpayment		<u><u>21,334</u></u>

Exhibits
Exhibit "Q-5"

Explanation of
figure of 0.0489
(contd.)

10

EXHIBIT "Q-7" - Explanation
of the Comparative Table

Exhibits

Exhibit "Q-7"

Explanation
of the
Comparative
Table

Explanation of the Comparative Table
compiled by Plaintiff's Solicitors.
(all to the nearest dollar)

No.	Premises	Renewable or non- renewable (premium)	Old Crown Rent	New Crown Rent
1.	<u>25 and 27 Carnarvon Road</u> Original crown rent = 24.00 for 3719 sq.ft. Equivalent to $\$24 \times \frac{43560}{3719}$ = \$281 per acre	non-renew- able	\$24.00 (\$281/acre)	
2.	<u>29 Carnarvon Road</u> Original crown rent = 12.00 for 1966 sq.ft. Equivalent to $\$12 \times \frac{43560}{1966}$ = 266 per acre	non- renewable	\$12.00 (\$266/acre)	
3.	<u>31 Carnarvon Road</u> Original crown rent = 12.00 for 1965 sq.ft. Equivalent to $\$12 \times \frac{43560}{1965}$ = \$266 per acre New crown rent = 226.00 for 1965 sq.ft. Equivalent to $\$226 \times \frac{43560}{1965} = \5010 per acre Calculate rate of interest charged on premium. Instalments paid in advance. $45293 - 2178 = 43115$ $43115 \div 2178 = 19.796$ From Parry's Tables page 29.	non- renewable premium \$23.00/ sq.ft.	\$12.00 (\$266/acre)	\$226.00/ lot (\$5010/ acre)

No.	Premises	Renewable or non-renewable (premium)	Old Crown Rent	New Crown Rent	Exhibits
3.	<p>Ans. is 5% (as far as the accuracy of the tables will indicate). Amount of premium per sq.ft. of site area = $\frac{45293}{1965} = \\$23$ per sq.ft.</p>				<p>Exhibit "Q-7" ----- Explanation of the Comparative Table (contd.)</p>
4.	<p><u>33 Carnarvon Road</u> Original crown rent = 18.00 for 3874 sq.ft. Equivalent to $\\$18 \times \frac{43560}{3874}$ = \$202 per acre New crown rent = 444.00 for 3874 sq.ft. Equivalent to $\\$444 \times \frac{43560}{3874}$ = \$4993 per acre Calculate with interest premium is charged on premium \$44.00/sq.ft. Instalments paid in advance sq.ft. $170844 - 13052 = 157792$ $157792 \div 13052 = 12.088$ From Parry's Tables page 30. Ans. is 5% (as far as the accuracy of the tables will indicate) Amount of premium per sq.ft. of site = $\frac{170844}{3874}$ = \$44 per sq.ft.</p>		\$18.00 (\$202/acre)	(\$4993/acre)	
5.	<p><u>35 Carnarvon Road</u> Original crown rent = 16.00 for 3489 sq.ft. Equivalent to $\\$16 \times \frac{43560}{3489} =$ \$200 per acre New crown rent = 400.00 for 3489 sq.ft. Equivalent to $\\$400 \times \frac{43560}{3489}$ = \$4994 per acre</p>		\$16.00 (\$200/acre)	(\$4994/acre)	

Exhibits

Exhibit "Q-7"

 Explanation
 of the
 Comparative
 Table
 (contd.)

No.	Premises	Renewable or non- renewable (premium)	Old Crown Rent	New Crown Rent
5.	Calculate rate of interest charged on premium. Instalments paid in advance. $150,724 - 11,516 = 139,208$ $139,208 \div 11,516 = 12.088$ From Parry's Tables page 28. Ans. is 5% (as far as the accuracy of the table will indicate) Amount of premium per sq.ft. of land = $\frac{150724}{3489}$ = 43 per sq.ft.	premium \$43.00/ sq.ft.		
6.	<u>37 Carnarvon Road</u> Original crown rent = 8.00 for 1440 sq.ft. Equivalent to $\$8 \times \frac{43560}{1440}$ = \$242 per acre New Crown rent = 166.00 for 1440 sq.ft. Equivalent to $\$166 \times \frac{43560}{1440}$ = \$5022 per acre Calculate rate of interest charged on premium. Instalments paid in advance. $237826 - 24893 = 212933$ $212933 \div 24893 = 8.554$ From Parry's Tables page 32. Ans. is 10% (as far as the accuracy of the tables will indicate) Amount of premium per sq.ft. of land = $\frac{237826}{1440}$ = 165 per sq.ft.	premium \$165.00/ sq.ft.	\$8.00 (\$242/ acre)	\$166.00 (\$5022/ acre)

No.	Premises	Renewable or non-renewable (premium)	Old Crown Rent	New Crown Rent	Exhibits Exhibit "Q-7"
7.	<p><u>39 Carnarvon Road</u> Original crown rent = 6.00 for 1435 sq.ft. Equivalent to $\\$6 \times \frac{43560}{1435}$ = \$182 per acre New crown rent = 164.00 for 1435 sq.ft. Equivalent to $\\$164 \times \frac{43560}{1435}$ = \$4978 per acre Calculate rate of interest charged on premium. Instalments paid in advance. 75338 - 3684 = 71654 71654 ÷ 3684 = 19.45 From Parry's Tables page 29. Ans. is 5% (as far as the accuracy of the tables will indicate) Amount of premium per sq.ft. of site = $\frac{75338}{1435}$ = \$53 per sq.ft.</p>	<p>premium \$53.00/ sq.ft.</p>	<p>\$6.00 (\$182/ acre)</p>	<p>\$164.00 (\$4978/ acre)</p>	<p>Explanation of the Comparative Table (contd.)</p>
8.	<p><u>41 and 43 Carnarvon Road</u> Original crown rent = 12.00 for 2130 sq.ft. Equivalent to $\\$12 \times \frac{43560}{2130}$ = \$245 per acre New Crown rent = \$244.00 for 2130 sq.ft. Equivalent to $\\$244 \times \frac{43560}{2130}$ = \$4990 per acre Calculate rate of interest charged on premium Instalments paid in advance.</p>		<p>\$12.00 (\$245.00/ acre)</p>	<p>\$244.00 (\$4990/ acre)</p>	

Exhibits

Exhibit "Q-7"

 Explanation
 of the
 Comparative
 Table
 (contd.)

No.	Premises	Renewable or non- renewable (premium)	Old Crown Rent	New Crown Rent
8.	42430 - 5232 = 37198 37198 ÷ 5232 = 7.108 From Parry's Tables page 28. Ans. is 5% (as far as the accuracy of the tables will indicate). Amount of premium per sq.ft. of site = $\frac{42430}{2130}$ = \$20 per sq.ft.	premium (\$20.00/ sq.ft.)		
9.	<u>45 and 47 Carnarvon Road</u> Original crown rent = 76.00 for 3293 sq.ft. Equivalent to $\$76 \times \frac{43560}{3293}$ = \$1005 per acre		\$76.00 (\$1005/ acre)	
10.	<u>49 Carnarvon Road</u> Original crown rent = 76.00 for 3354 sq.ft. Equivalent to $\$76 \times \frac{43560}{3354}$ = \$987 per acre		\$76.00 (\$987.00/ acre)	
11.	<u>51 Carnarvon Road</u> Original crown rent = 6.00 for 987 sq.ft. Equivalent to $\$6 \times \frac{43560}{987}$ = \$265 per acre New crown rent = \$114 for 987 sq.ft. Equivalent to $\$114 \times \frac{43560}{987}$ = \$5031 per acre Calculate rate of interest charged on premium Instalments paid in advance.		\$6.00 (\$265.00/ acre)	\$114.00 (\$5031/ acre)

No.	Premises	Renewable or non-renewable (premium)	Old Crown Rent	New Crown Rent	Exhibits
11.	<p>68955 - 3351 = 65604 65604 ÷ 3351 = 19.577</p> <p>From Parry's Tables page 29. Ans. is 5% (as far as the accuracy of the tables will indicate) Amount of premium per sq.ft. of site = $\frac{68955}{987}$ = \$70 per sq.ft.</p>	premium (\$70.00/sq.ft.)			Exhibit "Q-7" Explanation of the Comparative Table
12.	<p><u>53 Carnarvon Road</u> Original crown rent = 6.00 for 1060 sq.ft. Equivalent to \$6 x $\frac{43560}{1060}$ = \$247 per acre</p> <p>New crown rent = 122.00 for 1060 sq.ft. Equivalent to \$122 x $\frac{43560}{1060}$ = \$5014 per acre</p> <p>Paid in one lump sum - no interest. Amount of premium per sq.ft. of land = $\frac{196006}{1060}$ = \$185 per sq.ft.</p>	Premium (\$185/sq.ft.)	\$6.00 (\$247.00/acre)	\$122.00 (\$5014/acre)	
13.	<p><u>55 Carnarvon Road</u> Original crown rent = \$7.00 for 820 sq.ft. Equivalent to \$7 x $\frac{43560}{820}$ = \$372 per acre</p> <p>New crown rent = \$94.00 for 820 sq.ft. Equivalent to \$94 x $\frac{43560}{820}$ = \$4993 per acre</p>		\$7.00 (\$372.00/acre)	\$94.00 (\$4993/acre)	

Exhibits

Exhibit "Q-7"

Explanation
of the
Comparative
Table
(contd.)

No.	Premises	Renewable or non- renewable (premium)	Old Crown Rent	New Crown Rent
13.	Paid in one lump sum - no interest. Amount of premium per sq.ft. of land = $\frac{154462}{820}$ = \$188 per sq.ft.	premium (\$188/ sq.ft.)		
14.	<u>57 Carnarvon Road</u> Original crown rent = 27.35 for 830 sq.ft. Equivalent to $\$27.35 \times \frac{43560}{830}$ = \$1435 per acre New crown rent = 96.00 for 830 sq.ft. Equivalent to $\$96 \times \frac{43560}{830}$ = \$5038 per acre Calculate rate of interest charged on premium Instalments paid in advance. $171200 - 17890 = 153310$ $153310 \div 17890 = 8.570$ From Parry's Tables page 32. Ans. is $9\frac{1}{2}$ or 10% (as far as the accuracy of the tables will indicate) Amount of premium per sq.ft. of land = $\frac{171200}{830}$ = \$206 per sq.ft.	premium (\$206/ sq.ft.)	\$27.35 (\$1435/ acre)	\$96.00 (\$5038/ acre)
15.	<u>59 and 61 Carnarvon Road</u> Original crown rent = 14.00 for 2426 sq.ft. Equivalent to $\$14 \times \frac{43560}{2426}$ = \$251 per acre		\$14.00 (\$251/ acre)	

No.	Premises	Renewable or non-renewable (premium)	Old Crown Rent	New Crown Rent	Exhibits Exhibit "Q-7"
15.	<p>New Crown Rent = 278.00 for 2426 sq.ft. Equivalent to $\\$278 \times \frac{43560}{2426}$ = \$4992 per acre</p> <p>Calculate rate of interest charged on premium Instalments paid in advance.</p> <p>$389204 - 40804 = 348400$ $348400 \div 40804 = 8.538$</p> <p>From Parry's Tables page 32. Ans. is 10% (as far as the accuracy of the tables will indicate) Amount of premium per sq.ft. of land = $\frac{389204}{2426}$ = \$160. per sq.ft.</p>	premium (\$160/sq.ft.)		<p>\$278.00 (\$4992/acre)</p>	<p>Explanation of the Comparative Table (contd.)</p>
16.	<p><u>14 Carnarvon Road</u> Original crown rent = 22.00 for 4960 sq.ft. Equivalent to $\\$22 \times \frac{43560}{4960}$ = \$193 per acre</p> <p>New Crown rent = 570.00 for 4960 sq.ft. Equivalent to $\\$570 \times \frac{43560}{4960}$ = \$5005 per acre</p> <p>Calculate rate of interest charged on premium Instalments paid in advance (n.b. payment of 137,750 for 4783 sq.ft. only).</p> <p>$137750 - 6680 = 131070$ $131070 \div 6680 = 19.621$</p>		<p>\$22.00 (\$193/acre)</p>	<p>\$570.00 (\$5005/acre)</p>	

Exhibits

Exhibit "Q-7"

Explanation
of the
Comparative
Table
(contd.)

No.	Premises	Renewable or non- renewable (premium)	Old Crown Rent	New Crown Rent
16.	From Parry's Tables page 29. Ans. is 5% (as far as the accuracy of the tables will indicate) Amount of premium per sq.ft. of land = $\frac{137750}{4960}$ = \$28 per sq.ft.	premium (\$28.00/ sq.ft.)		
17.	<u>16 Carnarvon Road</u> Original crown rent = 6.00 for 1370 sq.ft. Equivalent to \$6 x $\frac{43560}{1370}$ = \$191 per acre New Crown rent = \$158.00 for 1370 sq.ft. Equivalent to \$158 x $\frac{43560}{1370}$ = \$5024 per acre Calculate rate of interest charged on premium Instalments paid in advance. $128819 - 6299 = 122520$ $122520 \div 6299 = 19.451$ From Parry's Tables page 29. Ans. is 5% (as far as the accuracy of the tables will indicate) Amount of premium per sq.ft. of land = $\frac{128819}{1370}$ = \$94 per sq.ft.	premium (\$94/ sq.ft.)	\$6.00 (\$191/ acre)	\$158.00 (\$5024/ acre)
18.	<u>18 and 18A Carnarvon Road</u> Original crown rent = 16.00 for 3380 sq.ft. Equivalent to \$16 x $\frac{43560}{3380}$ = \$206 per acre		\$16.00 (\$206/ acre)	

No.	Premises	Renewable or non-renewable (premium)	Old Crown rent	New Crown Rent
18.	<p>New crown rent = 388.00 for 3380 sq.ft. Equivalent to $\\$388 \times \frac{43560}{3380}$ = \$5000 per acre</p> <p>Calculate rate of interest charged on premium Instalments paid in advance.</p> <p>$168290 - 8230 = 160060$ $160060 \div 8230 = 10.448$</p> <p>From Parry's Tables page 29. Ans. is 5% (as far as the accuracy of the tables will indicate) Amount of premium per sq.ft. of land = $\frac{168290}{3380}$ = \$50 per sq.ft.</p>	premium (\$50.00/sq.ft.)		\$388.00 (\$5000/acre)
19. (a)	<p><u>20 Carnarvon Road</u> Original crown rent = 7.50 for 1687.50 sq.ft. Equivalent to $\\$7.50 \times \frac{43560}{1687.50}$ = \$194 per acre</p>		\$7.50 (\$194/acre)	
19. (b)	<p><u>20A Carnarvon Road</u> Original crown rent = 7.70 for 1693.75 sq.ft. Equivalent to $\\$7.70 \times \frac{43560}{1693.75}$ = \$198 per acre</p>		\$7.70 (\$198/acre)	
20.	<p><u>20B Carnarvon Road</u> Original crown rent = 6.00 for 1468 sq.ft. Equivalent to $\\$6 \times \frac{43560}{1468}$ = \$178 per acre</p>		\$6.00 (\$178/acre)	

Exhibits

Exhibit "Q-7"

Explanation of the Comparative Table (contd.)

Exhibits

Exhibit "Q-7"

Explanation
of the
Comparative
Table
(contd.)

No.	Premises	Renewable or non- renewable (premium)	Old Crown Rent	New Crown Rent
20.	<p>New crown rent = 168.00 for 1468 sq.ft. Equivalent to $\\$168 \times \frac{43560}{1468}$ = 4985 per acre</p> <p>Calculate rate of interest charged on premium Instalments paid in advance.</p> <p>$49545 - 2422 = 47123$ $47123 \div 2422 = 19.456$</p> <p>From Parry's Tables page 29. Ans. is 5% (as far as the accuracy of the tables will indicate) Amount of premium per sq.ft. of land = $\frac{49545}{1468}$ = \$34 per sq.ft.</p>	premium (\$34.00/ sq.ft.)		<p>\$168.00 (\$4985/ acre)</p>
21.	<p>20C Carnarvon Road Original crown rent = 8.00 for 1693.75 sq.ft. Equivalent to $\\$8 \times \frac{43560}{1693.75}$ = \$206 per acre</p>		<p>\$8.00 (\$206/ acre)</p>	
22.	<p>22, 22A and 24 Carnarvon Road Original crown rent = 16.00 for 3186 sq.ft. Equivalent to $\\$16 \times \frac{43560}{3186}$ = \$219 per acre</p> <p>New crown rent = 58.00 for 3186 sq.ft. Equivalent to $\\$58 \times \frac{43560}{3186}$ = \$793 per acre Amount of premium per sq.ft. of land = $\frac{5373}{3186}$ = \$2 per sq.ft.</p>	premium (\$2.00/ sq.ft.)	<p>\$16.00 (\$219/ acre)</p>	<p>Sixed /sic7 1948</p> <p>\$58.00 (\$793/ acre)</p>

No.	Premises	renewable or non- renewable (premium)	Old Crown Rent	New Crown Rent
23.	<u>2 and 2A Salisbury Avenue</u> Original crown rent = 52.00 for 2257 sq.ft. Equivalent to $\$52 \times \frac{43560}{2257}$ = \$1004 per acre		\$52.00 (\$1004/ acre)	
24.	<u>3 and 3A Salisbury Avenue</u> Original crown rent = 50.00 for 2217 sq.ft. Equivalent to $\$50 \times \frac{43560}{2217}$ = \$982 per acre		\$50.00 (\$982/ acre)	
25.	<u>4 and 4A Salisbury Avenue</u> Original crown rent = 50.00 for 2203 sq.ft. Equivalent to $\$50 \times \frac{43560}{2203}$ = \$989 per acre		\$50.00 (\$989/ acre)	
26.	<u>5 and 5A Salisbury Avenue</u> Original crown rent = 12.00 for 2188 sq.ft. Equivalent to $\$12 \times \frac{43560}{2188}$ = \$239 per acre New crown rent = 252.00 for 2188 sq.ft. Equivalent to $\$252 \times \frac{43560}{2188}$ = \$5017 per acre Calculate rate of interest charged on premium Instalments paid in advance. $73845 - 4578 = 69267$ $69267 \div 4578 = 15.130$ From Parry's Tables page 28. Ans. is 5% (as far as the accuracy of the tables will indicate)		\$12.00 (\$239/ acre)	\$252.00 (\$5017/ acre)

Exhibits
 Exhibit "Q-7
 Explanation
 of the
 Comparative
 Table
 (contd.)

Exhibits

Exhibit "Q-7"

Explanation
of the
Comparative
Table
(contd.)

No.	Premises	Renewable or non- renewable (premium)	Old Crown Rent	New Crown Rent
26.	Amount of premium per sq.ft. of land = $\frac{73845}{2188}$ = \$34 per sq.ft.	premium (\$34.00/ sq.ft.)		
27. (a)	<u>6 Salisbury Avenue</u> Original crown rent = 25.04 for 1095 sq.ft. Equivalent to \$25.04 x $\frac{43560}{1095}$ = \$996 per acre		\$25.04 (\$996.00/ acre)	
27. (b)	<u>6A Salisbury Avenue</u> Original crown rent = 24.96 for 1092 sq.ft. Equivalent to \$24.96 x $\frac{43560}{1092}$ = \$996 per acre		\$24.96 (\$996/ acre)	
28.	<u>7 Salisbury Avenue</u> Original crown rent = 26.00 for 1114 sq.ft. Equivalent to \$26 x $\frac{43560}{1114}$ = \$1017 per acre		\$26.00 (\$1017/ acre)	
29.	<u>7A Salisbury Avenue</u> Original crown rent = 26.00 for 1110 sq.ft. Equivalent to \$26 x $\frac{43560}{1110}$ = \$1020 per acre		\$26.00 (\$1020/ acre)	
30.	<u>7B and 7C Salisbury Avenue</u> Original crown rent = 18.05 for 3730 sq.ft. Equivalent to \$18.05 x $\frac{43560}{3730}$ = \$211 per acre		\$18.05 (\$211.00/ acre)	

No.	Premises	Renewable or non- renewable (premium)	Old Crown Rent	New Crown Rent
30.	<p>New crown rent = 428.00 for 3730 sq.ft. Equivalent to $\\$428 \times \frac{43560}{3730}$ = \$4998 per acre</p> <p>Calculate rate of interest charged on premium Instalments paid in advance.</p> <p>$505000 - 52975 = 452025$ $452025 \div 52975 = 8.533$</p> <p>From Parry's Tables page 32. Ans. is 10% (as far as the accuracy of the tables will indicate) Amount of premium per sq.ft. of land = $\frac{505000}{3730}$ = \$135 per sq.ft.</p>	<p>premium ($\\$135.00/$ sq.ft.)</p>		<p>\$428.00 ($\\$4998/$ acre)</p>

Exhibits

Exhibit "Q-7"

Explanation
of the
Comparative
Table
(contd.)

In the Privy Council.

ON APPEAL

FROM THE SUPREME COURT OF HONG KONG

(APPELLATE JURISDICTION)

CIVIL APPEAL NO. 33 OF 1967

(On appeal from Original Jurisdiction Action No. 1382 of 1965)

BETWEEN

CHANG LAN SHENG

Appellant

- and -

THE ATTORNEY GENERAL

Respondent

RECORD OF PROCEEDINGS

Volume III

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