



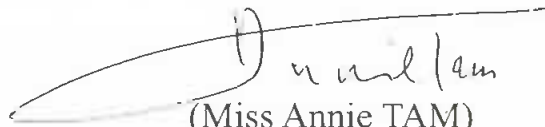
**Premium Assessment and Appeal Procedure
Relating to Lease Modification Transactions :
Discussions with Valuation Conference**

The procedure applicable to premium assessment/appeal relating to lease modification transactions is set out in Practice Note No. 1/2006. Pursuant to paragraph 2(vi) of the Practice Note, the applicant/agent (they) may be invited to attend a Valuation Conference meeting to elaborate on any points which they may have already put forward in their premium appeal submission. Deliberation of the Valuation Conference of the case will take place after the applicant/agent have left the meeting and the decision of the Lands Department (Lands D) on the premium appeal will be conveyed in the form of a binding offer of the revised premium assessment to the applicant/agent by the relevant District Lands Officer.

2. To help expedite the premium appeal process, Lands D may consider acceding to a request made by applicant/agent to be informed of the revised premium figure as determined by the Valuation Conference prior to the issue of the binding offer by the District Lands Officer as referred to in the preceding paragraph. Upon such request, applicant/agent may be invited to attend the next Valuation Conference meeting (normally the following week) when they will be informed of the revised premium figure on a without prejudice and subject to contract basis. At that meeting, the applicant/agent may put forward their comments on such a revised premium figure or in this connection may counter offer a premium figure with justifications for consideration by the Valuation Conference. Deliberation of the Valuation Conference will take place after the applicant/agent have left the meeting. Lands D's decision on the appeal will then be conveyed to the applicant/agent vide a formal binding offer to be issued by the relevant District Lands Officer in the usual way.

3. For the avoidance of doubt, the discussions with the applicant/agent at all Valuation Conference meetings are conducted on a without prejudice and subject to contract basis, and Lands D reserves all its rights in making a binding offer which may be different from what has been discussed at the Valuation Conference meetings.

4. The above revised procedure takes immediate effect.

A handwritten signature in black ink, appearing to read "Annie Tam", is written over a horizontal line. The signature is fluid and cursive.

(Miss Annie TAM)

Director of Lands

3 July 2009