INLAND REVENUE BOARD OF REVIEW DECISIONS

Case No. D49/97

Profits tax – depreciation allowance for common area and facilities in building not in the taxpayer's exclusive possession – whether plant or machinery for the purposes of producing profits.

Panel: Audrey Eu Yuet Mee SC (chairman), Jiang Zhaodong and Daisy Tong Yeung Wai Lan.

Date of hearing: 18 July 1997.
Date of decision: 10 September 1997.

Appeal dismissed.

Cases referred to:

Yarmouth v France [1887] 19 QBD 647
Wimpey International Ltd v Warland, Associated Restaurant Ltd v Warland, [1989] STC 273

Raymond Faulkner instructed by Department of Justice for the Commissioner of Inland Revenue.
Mr C Chiu instructed by Ford, Kwan & Co for the taxpayer.

Decision:

APPEAL

1. This appeal is brought by the Taxpayer against the determination of the Commissioner of Inland Revenue dated 19 April 1996 in respect of its profits tax assessment for the years of assessment 1988/89 to 1992/93 inclusive. The Company claims depreciation allowance in respect of certain items in or on a building partly owned by it.

AGREED FACTS AND BACKGROUND

2. We are grateful to counsel who produced an agreed statement of facts as follows.

(1) The Taxpayer is a private company incorporated in Hong Kong on 20 February 1987 ('the Company'). The nature of its business carried on is property investment.

(2) The Company's registered and business address at all material times is located at District A.

(3) An agreement for sale and purchase dated 9 July 1981 made between Company B as vendor, Company C as financier and Company D as purchaser ('the 1981 Agreement').

(4) A Deed of Mutual Covenant made between Company D and Company E dated 20 August 1994 ('the DMC').

(5) An assignment dated 18 September 1984, received at the Land Office and registered as Memorial No. X, between Company D as vendor and Company F as purchaser ('the 1984 Assignment').

(6) An agreement for sale and purchase dated 3 May 1988 made between Bank G as vendor and the Company as purchaser ('the Agreement').

(7) An assignment dated 25 May 1988, received at the Land Office and registered as Memorial No.Y, between Bank G as vendor and the Company as purchaser ('the Assignment').

(8) The sum of $148,800,000 being the consideration stipulated in the Agreement was paid and is, for the purchase of this appeal, a capital expenditure.

(9) The Company lets out the areas marked red on the plans on pages 52, 53, 54, 55, 56 attached to the 1984 Assignment for rental income.

(10) A report by Firm H, a law firm dated 18 May 1992 in that:

(a) the items listed therein (A to K) are on and/or in the Building, namely, Plaza I;

(b) their respective valuations.

3. Although the following are not contained in the signed statement of agreed facts, they are not in dispute between the parties. Plaza I ('the Building') is a 16 storey commercial building consisting of a commercial podium of shops on the basement to the second floor and a commercial tower of offices from the third to the twelfth floor and roof, there being no fourth floor. By the Agreement and Assignment referred to above, the Taxpayer purchased five floors in the commercial tower, namely the third, fifth, sixth, seventh and eighth floor. This was a capital investment and the Taxpayer's business was to let out the five floors to tenants for rental income.

4. The Taxpayer filed profits tax returns claiming depreciation allowance in respect of $14,650,000 said to be a portion of the purchase price incurred in the purchase of various items in the Building as plant and machinery for the purposes of producing profits and rebuilding allowance in respect of $55,203,338 said to be a portion of the purchase price incurred as construction costs. This former figure was arrived at based on the valuation of certain facilities in the Building said to be commonly owned by the Taxpayer and then taking a third of that valuation as representing the Taxpayer's share therein. The latter figure was arrived at by adjusting the balance of the purchase price after having deducted the said $14,650,000.

5. The assessor disallowed the claim for depreciation allowance but allowed a rebuilding allowance on an amount higher than that claimed. The Taxpayer concedes that if it succeeds in the appeal, the rebuilding allowance will have to be adjusted.

THE ITEMS CLAIMED FOR DEPRECIATION ALLOWANCE

6. These are set out in a Schedule which forms part of a valuation report by Firm H. The report is dated 18 May 1992 and gives a valuation of the facilities agreed to have been in or on the Building as at 25 May 1988, the date of the Assignment. Counsel for the Taxpayer was unable to explain how the valuation therein came to be identical to that appearing in the Taxpayer's accounts dated 1990, sometime before the date of the report. The total value of these facilities came to $43,950,000. The Taxpayer originally claimed one third of that, $14,650,000 as its share of the plant and machinery for the purpose of depreciation allowance. The full Schedule is annexed to this decision.

7. It was conceded by the Taxpayer that four of the items in the Schedule should be deleted from the claim. These are Plumbing and Drainage System, Public Lavatories & Sanitary Fittings, Decoration for Shopfront and Landscaping. Counsel for the Taxpayer could not explain the rationale for the distinction between the claimed items and the abandoned items. He only said that the concession was made before the Commissioner and he would not retract from it.

8. We were invited to look at the black and white photocopy plans in the Deed of Mutual Convenant in order to find out where these items are located in the Building. There appears to be various sets of escalators situate on the basement, lower ground, ground, upper ground, first and second floor. In other words, they are in the commercial podium. As for the 7 lifts, the distribution appears as follows. There are four passenger lifts serving the upper ground floor and above. There is a service lift that serves all floors from the basement upwards. There are two observation lifts travelling between the basement and the second floor. Again they are only confined to the commercial podium. There is reference to some fire service installation in the basement but it is difficult to know the exact location of all the things mentioned in the item headed Fire Service System. Similar comments can be made about all those things listed under the item Air-Condition & Ventilation System, Electrical or Security System. There is no mention of a Gondola Control System anywhere on the plans.

THE TAXPAYER'S CASE

9. The Taxpayer claims all the remaining items in the Schedule, apart from the 4 abandoned ones, are machinery or plant that qualify for depreciation allowance under section 37 of the Inland Revenue Ordinance (the IRO). It has a one third share of these items based on the fact that it owns 5 out of the 16 storeys in the Building. Owners in a multi-storey building are co-owners of equal and undivided shares of the common areas and facilities. Thus it does not matter even if these areas or facilities fall outside the areas within their exclusive possession.

10. Counsel for the Taxpayer put the two issues in the appeal as follows:

(a) whether any part of the purchase price was for the Taxpayer's shares in the common area and facilities in the Building;

(b) whether the furniture, fixtures and equipment or any part thereof were plant and machinery for the purposes of producing profits.

Although he used different descriptions, he was referring to the Taxpayer's shares in those remaining items in the Schedule. He contends that the Taxpayer has a one-third share in those items and uses them or has them in use for the purposes of producing rental income. They enhance the value or the lettability of the 5 floors and are in use by the tenants or their licencees. Thus the Taxpayer is entitled to a depreciation allowance based on a third of the valuation of these remaining items as at the date of the Assignment. The valuation of the remaining items comes to $36,630,000 based on the Firm H's report of 1992 and a third of that is $12,210,000. In short, he claims this part of the purchase price, $12,210,000 was incurred to purchase machinery or plant within the meaning of section 37 of the IRO.

11. The Taxpayer did not call any evidence.

THE REVENUE'S CASE

12. The Revenue concedes that some of the items in the Schedule fall within the definition of 'machinery or plant' under Rule 2 of the Inland Revenue Rules. These include Escalators, Lifts and Air-Condition & Ventilation System. Although Sprinkler is mentioned in Rule 2, the Revenue does not accept that all that mentioned under the item Fire Service System in the Schedule is machinery or plant. Also in contention are the items Electrical, Security System and Gondola Control System. In any case, whether any of the items constitutes machinery or plant, the Taxpayer has not proved that it incurred expenditure on the provision of these items or that such expenditure was incurred for the purposes of producing profits. For claiming annual allowance under section 37 (2) as opposed to claiming the initial allowance under section 37 (1), there is also the additional requirement that the machinery or plant must have been in use. Since the Taxpayer carries on its business in a different building, there is no evidence of any use of those facilities by

the Taxpayer. It was also contended that for the purpose of claiming depreciation allowance, the taxpayer must be the exclusive owner having exclusive use.

THE LAW

13. Depreciation allowance is provided for in section 37 of the IRO. Section 37 (1) provides that where a person carrying on a trade, profession or business incurs capital expenditure on the provision of machinery or plant for the purposes of producing profits chargeable to profits tax he shall, subject to certain exceptions which are not relevant here, be entitled to an initial allowance based on a percentage of such expenditure. In this case, the percentage would have been a quarter. Section 37 (2) provides that where at the end of any tax year, a person owns and has in use machinery or plant for the purposes of producing profits chargeable to profits tax, he shall be entitled to an annual allowance for depreciation by wear and tear of those assets. Such allowance varies from 10 to 20% based on the reducing value of the asset.

14. Both Counsels rely on Lindley LJ's definition of plant in Yarmouth v France [1887] 19 QBD 647 where he says at page 658:

> *'In its ordinary sense, it includes whatever apparatus is used by a business man for carrying on his business, not his stock-in-trade which he buys or makes for sale; but all goods and chattels, fixed or moveable, live or dead, which he keeps for permanent employment in his business'.*

We were taken through many other cases involving lamps, sockets, wirings, partitions or different parts of electrical equipments. It suffices to say that the cases turn on their own special facts. Some of the cases adopt a 'business use' test. The question to be asked is 'what does the item function as?' If it is more appropriate to describe the item as part of the premises rather than having a separate identity, it forms part of the premises and is not plant. Wimpey International Ltd v Warland, Associated Restaurant Ltd v Warland [1989] STC 273.

15. In Hong Kong, case law must be examined together with Rule 2 of the Inland Revenue Rules which provides that certain items shall be deemed to be machinery or plant.

16. Most of the other relied on refer to ownership of land or chattels and for reasons we shall come to, there is no need for us to deal with those authorities.

17. Finally, we remind ourselves that under section 68(4) of the IRO, the onus is on the Taxpayer to persuade us that the assessment is wrong.

WHAT HAS THE TAXPAYER PURCHASED?

18. It is accepted that the Taxpayer carried on a business. It is also accepted that the purchase price for the Property in the Building was capital expenditure. There remains the question whether any part of that purchase price was for the provision of machinery or

plant. This includes two related questions, what was machinery or plant that the Taxpayer bought, if any, and how much did the Taxpayer pay for it?' In order to answer these two related questions, we have to start with this question: 'What has the Taxpayer purchased?'

19. The Taxpayer did not call any witness. Counsel submitted that they must be deemed to have purchased what appears in the title documents.

20. Counsel referred us to the description of the Property in the Assignment. The description of the Property consists of three parts. Part (a), (b) and (c) which we set out as follows:

(a) Lot number, sections, description and address etc.:

ALL THOSE 753 equal undivided 3000th parts or shares of and in ALL THAT piece or parcel of ground situate lying and being in Kowloon and known and registered in the Land Office as LOT NO. Z And of and in the messuages erections and buildings thereon known at the date hereof as 'Plaza I' ('the said Building') TOGETHER with the sole and exclusive right and privilege to hold use occupy and enjoy ALL THOSE the whole of the THIRD FLOOR and the adjacent FLAT ROOF, the whole of the FIFTH FLOOR, the whole of the SIXTH FLOOR, the whole of the SEVENTH FLOOR and the whole of the EIGHTH FLOOR of the said Building as more particularly shown and delineated on the respective floor plans annexed to an Assignment registered in the Land Office by Memorial No. X ('the said Assignment') and thereon coloured Red respectively.

(b) Exceptions and reservations, etc."

Subject to such exceptions and reservations as are more particularly described mentioned and/or referred to in the Crown Lease and the said Assignment.

(c) Easements and other appurtenant rights if any:

Subject to and with the benefit of such easements rights and rights of way (if any) and such other appurtenant rights as are more particularly described mentioned and/or referred to in the Crown Lease, the Deed of Mutual Covenant and the said Assignment.

21. He stressed that his client purchased all those 753 undivided 3000th parts or shares of the land and the Building. (We pause here to note that this is much less than a third of the total shares). He stressed that this was 'together with' the sole and exclusive right to those parts coloured red on the plans. On the plans, the common areas and facilities on those five floors were coloured green whereas the rest was coloured red. Thus he refutes the Commissioner's finding that his client only purchased the red parts in respect of which it has exclusive possession. He also relies on clause 13 in the Deed of Mutual Covenant which provides that in case of destruction of the Building, the Manager shall, unless the

owners decide to rebuild and reinstate, auction the undivided shares in the Land and hold the proceeds in trust for the owners in proportion to their undivided shares.

22. Counsel for the Taxpayer refers to a number of authorities in support of his contention that the Taxpayer is a co-owner of the common area and facilities. Counsel for the Inland Revenue is much more ready to accept that the Taxpayer is a co-owner of the land or any interest in land, but he does not accept that the chattels were assigned. We agree with the Taxpayer that these common areas and facilities must be owned by someone. We accept that they are owned by the owners of the Building. But ***which*** of these common areas or facilities does the Taxpayer own, what was its share and how much did it pay for them?

23. There appears to be two lots of common areas and three lots of common facilities in the Building. They are defined in the Deed of Mutual Covenant as follows:

> 'Building Common Areas' means all those areas more particularly shown and respectively coloured Green on the plans hereto annexed;
>
> 'Building Common Facilities' means lighting for staircases, sprinkler system, water pipes, drains, wires, ducts, cables, fire services equipments, communal television antennae, and all other equipment and facilities installed and from time to time to be installed in the Building for the common use and benefit of all Owners of the Building and not for the use and benefit of a particular Owner of a particular part.
>
> 'Commercial Podium' means the basement, lower ground floor, ground floor, upper ground floor, first floor and second floor of the Building.
>
> 'Commercial Podium Common Areas' means all those areas more particularly shown and respectively coloured Yellow on the plans hereto annexed.
>
> 'Commercial Podium Common Facilities' means air-conditioning plant and ducts, escalators, lighting, wires and cables and all other equipment and facilities installed and from time to time to be installed in the Building for the common use and benefit of (or during the period for the common use and benefit of) all Owners of the Commercial Podium and not for the use and benefit of a particular Owner of a particular part of the Commercial Podium.
>
> 'Commercial Tower' means the third floor (and the adjacent flat roof), fifth floor, sixth floor, seventh floor, eighth floor, ninth floor, tenth floor, eleventh floor, twelfth floor and roof of the Building (there being no fourth floor).
>
> 'Commercial Tower Common Facilities' means air-conditioning plant and ducts, lifts, lighting, wires and cables and all other equipment and facilities installed and from time to time to be installed in the Building for the common use and benefit of all Owners of the Commercial Tower and not for the use and benefit of a particular Owner of a particular part of the Commercial Tower.

24. It is not clear to what extent the facilities in the three definitions of common facilities overlap. We do not know if all the Building common facilities are within the commercial podium or the commercial tower common facilities or if there are some which do not fall within the latter two.

25. Escalator is one example which is only mentioned in the commercial podium common facilities and the definition of the such facilities suggests that an owner of the commercial tower, such as the Taxpayer, will not be allowed to use it. We doubt if a commercial tower owner is under any obligation to maintain or pay for the escalator and in the circumstances it is difficult to see how the Taxpayer can be said to be a one third owner of it. From the plans, the street level appears to be between the ground and the upper ground floor. The ground floor seems to be lower than the street level because of the arrows shown on the plan going up from the Building on the two corners next to the observation lifts. The most likely behaviour of a tenant or visitor to the Taxpayer's floors would be to go up the steps to the upper ground floor and then walk to the office lift hall. There does not appear to be any need to use the escalators. Of course that does not mean that the Taxpayer's tenants cannot use the escalators but they will not be doing so as tenants of the commercial tower but rather as licencees of the commercial podium owners or tenants. Although the observation lifts do not appear to be specifically mentioned as such in any of the definitions, co-ownership and usage of the same should be as in the case of the escalators.

26. There is no evidence of the air-conditioning system or systems in the Building. They are not specifically mentioned in the Building common facilities but they are mentioned in the other two definitions. Thus there may be two separate systems, one for the commercial podium for the common use and benefit of all owners of the commercial podium and one for the commercial tower for the common use and benefit of the owners of the commercial tower. The sprinkler system, water pipes, drains and fire services equipment and communal antennae appear only in case of the building commercial facilities and this suggests that they are common to the entire building. The Security System and the Gondola Control System are not specifically mentioned in any of the three definitions.

27. There is no share allotted to any of the common area or facilities. The Taxpayer assumes every common facility is to be divided equally between all the owners. But that is not necessarily so. As can be seen above, some of the facilities may be enjoyed by some of the owners only. Presumably such facilities would only be maintained by those owners and it is difficult to see why the other owners who do not have the common or exclusive enjoyment of the facilities should be co-owners of the same. Thus we are not persuaded that each facility is necessarily co-owned by all the owners of the Building. There is also no evidence as to the shares each of the owners should have in a particular common facility. The Taxpayer claims a one-third share. Yet 5 out of 16 storeys is not quite one third and 753 shares out of 3000 shares is also less than one third.

28. There is also uncertainty when we look at the items in the Schedule. Under the Air-condition & Ventilation System, there are valuations for installation of A/C Equipment, piping and ducting, smoke extraction system equipment, structural and architectural works.

For reasons mentioned, it is not possible to tell if this is part of the air-conditioning system for the commercial podium or for the commercial tower. The item Security System includes a public address and background music system, uninterrupted power supply system, central control console and guard house. These may for the whole Building or for the commercial podium alone. There is no evidence either way.

29. In the circumstances, we cannot be sure what facility the Taxpayer co-owns and what shares the Taxpayer holds in each such facility. It is meaningless to talk about valuations for the items in the Schedule when we cannot be sure which one is co-owned by the Taxpayer and if so, in what shares.

30. We also have regard to the fact that in the Agreement and the Assignment, there is no apportionment of the purchase price for what the Taxpayer calls furniture, fitting and equipment. This would have reduced the stamp duty payable for the Property. The stamp duty figure in the accounts suggests that the Taxpayer paid stamp duty on the full purchase price.

31. In Hong Kong, the purchase price of properties is usually based on the price per square foot of the gross or net area rather than the current valuation of the common facilities in the building. The market price per square foot may vary sharply with the rise and fall of the market whereas the current valuation of the common facilities may remain quite stable.

32. The burden is on the Taxpayer to show us what machinery or plant it purchased and what expenditure it incurred in purchasing machinery or plant. It is not sufficient simply to provide a list of common facilities in the Building and their valuation. There is no mention anywhere in the Agreement or Assignment for the purchase of any specific item. There is no inventry of the items purchased. There is no evidence of the Taxpayer's intention at the time. It has merely given us a list showing valuations of the common facilities in the Building but that is no evidence that the Taxpayer purchased any share thereof at a portion of the valuation. The market valuation of the facilities may or may not bear any relation to the sum incurred in the purchase thereof. It is for the Taxpayer to satisfy us which part of the purchase price was incurred in the purchase of a share of the common facility. We cannot be left to work this out based on the valuations. For reason given, the Taxpayer has failed to satisfy us how much it incurred in purchasing any part of the items listed in the Schedule. That is sufficient to dispose of the appeal. In deference to counsel, we go on to deal with the other points argued.

MACHINEY OR PLANT

33. The next question is whether any of the disputed items is machinery or plant. The disputed items are Fire Service System, Electrical, Security System and the Gondola Control System.

34. We are doubtful if all the things mentioned in the disputed items can constitute machinery or plant. We refer to structural and architectural works under Fire Service System and Electrical. We have no idea what the ironmonger and finishing works is. They

could be part of the premises and therefore do not qualify as plant. Certainly they cannot be machinery. For some of the things mentioned, such as the public address and background music system, we do not know where they are situated and what function they serve. Without such evidence, we cannot properly consider if these things satisfy the 'business use' test for the purpose of determining if they constitute plants of the business.

35. The same article may be a plant in one case and not in another. It may depend on the function it serves. Section 37 requires the machinery or plant to be for the purposes of producing profits chargeable to tax.

FOR THE PURPOSES OF PRODUCING PROFITS

36. This question is linked to the one above. Was any part of the items for the purposes of producing profits? The Taxpayer argues they must be because they enhance the rental value of the various floors which the Taxpayer lets to the tenants. It is fair to assume that the rent will be based on the provision of facilities in the building. But there is simply no evidence as to ***which*** of the facility enhanced the rental value. For example, we do not see how the escalators or observation lifts which serve the commercial podium could have been purchased as plant or machinery for the purposes of producing profits. The Taxpayer has not identified the structural and architectural works that appear under the headings Fire Service System, Air-Condition & Ventilation System or the Electrical System. In the absence of such evidence, we cannot possibly find that they were purchased for the purposes of producing profits.

37. Whether or not an item falls into section 37 (1) must depend on the intention of the taxpayer. The same item may serve different functions for different owners and may be purchased by different persons for different purposes. Thus the intention of the taxpayer is relevant. Here we have no such evidence. We cannot assume that the Taxpayer incurred any part of the purchase price to buy any share of the Gondola Control System. It may not even know of the existence of such System at the time of the Assignment. It is not sufficient for the Taxpayer to produce ex post facto a list of the common facilities. There must be credible evidence that the Taxpayer incurred ***that*** amount for a specified share of ***that*** machinery or plant ***for the purposes*** of producing profits. The Taxpayer has failed to discharge its onus of proof.

WHETHER EXCLUSIVE OWNERSHIP AND EXCLUSIVE USE

38. We move to consider section 37 (2). We accept that the Taxpayer must be a part owner of at least some of the facilities listed in the Schedule, even though, for reasons given, we cannot be sure what shares and which facilities the Taxpayer owned.

39. The Revenue argues that annual depreciation allowance can only be claimed where the taxpayer is the exclusive owner and has the exclusive use of the machinery or plant. We do not accept this. The section itself does not require exclusive use nor exclusive ownership. Presumably if the owner is only a part owner, it will incur less capital expenditure and only pay for a portion of the purchase price for the provision of its share in

the machinery or plant. There seems no reason why a part owner cannot claim initial or annual depreciation allowance in respect of his share of the purchase price.

HAVE IN USE

40. Section 37 (2) has an additional requirement that the taxpayer owns and has in use machinery or plant for the purposes of producing profits. Counsel for the Taxpayer argues that the additional words 'has in' before 'use' mean that it does not have to use the plant or machinery, provided they are used by someone else. In the present case, the lifts and other items in the Schedule are said to be used by the tenants of the Taxpayer. It is argued that this amounts to usage sufficient for section 37(2). We find it difficult to see how use by some one else can be said to be use for the purposes of section 37. The section contemplates that the use must be by or for and on behalf of the Taxpayer because the use must be for the purpose of generating profits and that must be profits of the Taxpayer. It is stretching the ordinary meaning of the words in the section to say that use of these facilities by the tenants is use for the purpose of generating the profits of the Taxpayer. The other alternative is to say that the Taxpayer has the facilities in use by letting them to the tenants. But that is equally far fetched. We have not seen any tenancy agreement but it would be surprising if they mention the letting of any of these items. Indeed the Taxpayer only has a right to common use and is never in a position to let the use thereof to any tenant.

41. Even if use by the tenants is acceptable for the purposes of section 37 (2), there is still no evidence as to what facilities the tenants use. Presumably they use the lifts, but it is more problematic to say that they use the Fire Service Systems, the Architectural Works or the Gondola Control System. As for the lifts, the valuation is given for all 7 sets and there is no breakdown for the costs of the observation lifts which serve the commercial podium. The Taxpayer has failed to discharge the onus of showing which machinery or plant has been in use for the purposes of section 37 (2).

CONCLUSION

42. For reasons given, we find that the Taxpayer has failed to discharge its onus of proving what capital expenditure was incurred for the provision of what share in which machinery or plant for the purposes of producing profits. In the circumstances, it is not entitled to any initial depreciation allowance under section 37 (1). We also find that the Taxpayer has failed to discharge its onus of proving what machinery or plant it has in use for the purposes of producing profits. It is not entitled to any annual depreciation allowance under section 37 (2).

43. The Taxpayer is aware that it will be in difficulties if some of the items are not claimable under section 37. Thus it has asked for a further hearing in case we find that some of the items are claimable so that further valuations or calculations may be provided. We do not think that this course is open. It is not a question of valuations. The Taxpayer has failed to get over the first hurdle of proving what specific machinery or plant it had purchased for the purposes of producing profit and what expenditure it incurred in purchasing these machinery or plant. Such expenditure may or may not be related to the valuation of the

facilities. We cannot be asked to speculate. We do not see how the Taxpayer can have a second bite of the cherry in another appeal.

44. For reasons given, the appeal is dismissed.

Plaza I

Item No.	Description	Quantity	$	$
A	Escalators			
	Escalators Installation & Decoration	10 sets	3,200,000	
	Structural & Architectural Works (Tiling, Marble, Glass Finishing Works)		2,300,000	
	Electrical Control System		200,000	5,700,000
B	Lifts	7 sets	3,150,000	
	Structural & Architectural Works (Tiling & Marble Finishing Works)		2,000,000	
	Electrical Control & Change – order system		150,000	5,300,000
C	Fire Service System			
	Sprinkler System, Fire Hydrant/Hose Reel System, Independent Water Supply System & BTM System		4,700,000	
	Painting for Pipes & Equipment		90,000	
	Structural & Architectural Works		150,000	4,940,000
D	Air-Condition & Ventilation System			
	a) Air-Condition Main Equipment (AMD-130V Air-cooled Chillers)	6 sets	2,400,000	
	b) installation of A/C Equipment		5,200,000	
	c) Piping & Ducting		3,500,000	
	d) Smoke Extraction System Equipment		500,000	
	e) Structural & Architectural Works		800,000	
	f) Roof Waterproof Work at 3/F – 14/F		500,000	
	g) Aluminum Curtain Wall for Air-Condition Purpose		4,000,000	16,900,000
E	Plumbing & Drainage System			
	a) Plumbing & Drainage		2,500,000	
	b) Structural & Architectural Works for Sand Trap Manhole Sump Pit		300,000	
	c) Electrical Control System		50,000	2,850,000
F	Electrical			
	a) Generator		350,000	
	b) Transformer Room Switch System		700,000	
	c) Structural & Architectural Works		700,000	
	d) Ironmonger & Finishing Works		150,000	1,900,000
G	Public Lavatories & Sanitary Fittings			

Item No.	Description	Quantity	$	$
	W/C Installation		750,000	
	Structural Work		900,000	
	Tiling & Marble Finishing to Wall & Floor		1,400,000	
	False Ceiling & Ironmonger		150,000	3,200,000
H	Decoration For Shopfront			
	Aluminum Shopfront with 10mm Glass			
	Panel & 12mm Tempered Glass Doors			
	a) Aluminum Framing		900,000	
	b) 10mm Clear Glass		120,000	
	c) 12mm Temper Glass		50,000	1,070,000
I	Security System			
	a) Building Security & Management Computer		300,000	
	b) CCTV Surveillance System		280,000	
	c) Public Address & Background Music System		220,000	
	d) Uninterruptible Power Supply System		400,000	
	e) Central Control Console		30,000	
	f) Guard House		60,000	1,290,000
J	Gondola Control System			600,000
K	Landscaping			
	a) Special Lighting & Metal Works		150,000	
	b) Soft Work & Plants		50,000	200,000
				43,950,000