

**Legislative Council Panel on Transport**  
**Appointments to the Managing Board**  
**of the Kowloon-Canton Railway Corporation**

**Introduction**

This paper informs Members of the Chief Executive's decision on the appointments to the Managing Board of Kowloon-Canton Railway Corporation (KCRC).

**Background**

2. Under section 3(2) of the KCRC Ordinance (Cap.372), the Corporation shall have a Managing Board (hereafter referred to as the "Board") comprising a Chairman, a Chief Executive Officer and not less than four nor more than eight other members appointed by the Chief Executive. The Board is the ultimate legal authority within the KCRC and the business affairs of the Corporation are managed under the direction of the Board.

Annex A

3. The current membership of the Board is shown at **Annex A**. The terms of appointment of six Board members will expire between end 2002 and early 2003.

4. During the deliberations of the Bills Committee last year on the KCRC (Amendment) Bill 2001 which separated the offices of the KCRC Chairman and the Chief Executive Officer (CEO), some Committee Members opined that the Board membership should be expanded to include members from different sectors of the society. The Bills Committee suggested that to ensure a balanced composition of the Board to handle its activities, the Government should review its size and composition.

5. The Ernst & Young report on the investigation into West Rail contract payments published in May 2002 also recommended that consideration could be given to appointing one or two members to the Board with specific knowledge and experience of major projects. In addition it suggested that the New Railway Projects Steering Committee of the Board (now known as Capital Projects Committee) be strengthened by incorporating members from outside the KCRC, who could have appropriate technical skills such as expertise in construction, engineering and legal issues.

### **Review of the Size of the Board**

6. Before the separation of the Chairman and CEO, the Board had nine members (i.e. Chairman cum CEO and eight other members). The separation has effectively increased the number of members from nine to ten. This is a fairly large number and in practice it has enabled the Board to perform its duties properly and efficiently. The present size of the Board is adequate for its functions. Moreover the Government is studying whether the KCRC should be merged with the MTR Corporation Limited. Timing-wise, it is not appropriate to increase the size of the Board at this stage as any merger, if proceeded, would impact on the Boards of the two railway corporations.

7. We, therefore, consider it appropriate to focus on the revision of the composition of the Board and strengthening of the Committees so that they would provide better support to the Board.

### **Composition of the Board**

8. In considering appointments to the KCRC Board, the Government has carefully assessed the suitability of prospective candidates having regard to relevant factors such as personal capabilities, leadership, expertise, experience, integrity and commitment to public service.

9. Taking into account the above factors, the Chief Executive has decided to make the following appointments to the KCRC Board upon the expiry of the terms of the current membership -

- (a) reappointment of Mr Vincent Cheng Hoi-chuen and Mr Vincent Lo Wing-sang for another two years from 16 November 2002 and 24 December 2002 respectively;
- (b) appointment of Mr Wan Man-ye, a chartered surveyor, for a term of two years from 16 November 2002;
- (c) appointment of Mr Patrick Blackwell Paul, a chartered accountant, for a term of two years from 24 December 2002;
- (d) appointment of Mr Patrick Wang Shui-chung, an industrialist, for a term of two years from 24 December 2002; and
- (e) appointment of Mr Victor So Hing-woh, a veteran administrator, for a term of two years from 15 January 2003.

10. The members possess the necessary knowledge and experience in such areas as banking, accounting, legal profession, property development and large-scale projects to manage the increasing workload of KCRC. The Secretary for the Environment, Transport and Works and the Secretary for Financial Services and the Treasury will continue to serve on the KCRC Board. The new membership is at **Annex B**.

Annex B

### **Strengthening of Committees**

11. Formerly, the New Railway Projects Steering Committee of the Board met on a quarterly basis. In response to the recommendation of the Ernst & Young report, the Capital Projects Committee is now meeting monthly to provide better support to the Board in overseeing capital projects.

12. The Board also plans to appoint individuals, who are not members of the Corporation, to the Capital Projects Committee and other committees such as Property Committee. This will enable the Committees to discuss issues in detail and provide advice on specific issues to the Board to facilitate its decision making.

### **Conclusion**

13. The current Board members have provided commendable service to the Corporation. We are confident that the Board with the new membership and strengthened committees will continue to successfully lead KCRC to meet the challenges ahead.

14. Members are invited to note the content of this paper.

**Environment, Transport and Works Bureau**  
**November 2002**

## Annex A

### **Current Membership of the KCRC Managing Board**

		Expiry date of <u>current term</u>
Mr Michael Tien	KCRC Chairman	23.12.2003
Mr Yeung Kai-yin	KCRC Chief Executive Officer	23.12.2003
Mr Denys E Connolly		23.12.2002
Mr Edmond Lau Ting-chung		14.1.2003
Mr Vincent Cheng Hoi-chuen		15.11.2002
Mr Tim Chung Shui-ming		15.11.2002
Mr Keith Lam Hon-keung		23.12.2002
Mr Vincent Lo Wing-sang		23.12.2002
<u>Ex-officio Members</u>		
Dr Sarah Liao	Secretary for the Environment, Transport and Works	
Mr Frederick Ma	Secretary for Financial Services and the Treasury	

## **Annex B**

### **New Membership of the KCRC Managing Board**

Mr Michael Tien	KCRC Chairman
Mr Yeung Kai-yin	KCRC Chief Executive Officer
Mr Vincent Cheng Hoi-chuen	
Mr Vincent Lo Wing-sang	
Mr Wan Man-yee (with effect from 16 November 2002)	
Mr Patrick Blackwell Paul (with effect from 24 December 2002)	
Mr Patrick Wang Shui-chung (with effect from 24 December 2002)	
Mr Victor So Hing-woh (with effect from 15 January 2003)	
<b><u>Ex-officio Members</u></b>	
Dr Sarah Liao	Secretary for the Environment, Transport and Works
Mr Frederick Ma	Secretary for Financial Services and the Treasury