

立法會
Legislative Council

LC Paper No. CB(1)2503/03-04
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Monday, 5 July 2004, at 2:30 pm
in the Chamber of the Legislative Council Building

- Members present** : Hon Albert HO Chun-yan (Chairman)
Hon CHAN Kam-lam, JP (Deputy Chairman)
Dr Hon David CHU Yu-lin, JP
Hon Fred LI Wah-ming, JP
Hon NG Leung-sing, SBS, JP
Hon James TO Kun-sun
Hon CHAN Yuen-han, JP
Hon LEUNG Yiu-chung
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung, BBS, JP
Hon SZETO Wah
Hon Tommy CHEUNG Yu-yan, JP
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee, JP
Hon IP Kwok-him, GBS, JP
Hon LAU Ping-cheung, SBS
- Member attending** : Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
- Members absent** : Hon LEE Cheuk-yan
Hon Andrew WONG Wang-fat, JP
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Dr Hon LO Wing-lok, JP

**Public officers
attending**

: Agenda item III

Mr Vincent TONG, JP
Deputy Director of Housing
(Development & Construction)

Mr Anthony WONG
Assistant Director of Housing (Legal Service)

Ms Amy CHAN
Senior Estate Surveyor (Business Development)
Housing Department

Agenda item IV

Mr C M LEUNG, JP
Permanent Secretary for Housing, Planning and Lands
(Housing)

Mr Kenneth MAK, JP
Deputy Director of Housing (Corporate Services)

Ms L K LAM
Assistant Director of Housing (Divestment)

**Attendance by
invitation**

: Agenda item IV

Neighbourhood and Worker's Service Centre

Mr WONG Yun-tat
Community Affairs Officer

Mr CHUNG Hau-ping
Community Affairs Officer

Grassroots Housing Rights Defense Alliance

Mr NG Wing-chak
Member

Ms CHAN Tung-mui
Member

Wong Chuk Hang Estate Re-development Group

Ms LEUNG Ying-wai
Representative

Mr AU-YEUNG Won
Representative

Practising Estate Doctors' Association Limited

Dr LING Chui-pui
Chairman

The Association of Licentiates of Medical Council of
Hong Kong

Dr LI Sum-wo
Chairman
(Also Council Member of Practising Estate Doctors'
Association Limited)

Hong Kong Medical Association

Dr CHOI Kin
Council Member

Hong Kong Doctors Union

Dr YEUNG Chiu-fat
President

Dr SHE Siu-yam
Hon Treasurer

Estate Restaurant (HK) Merchant Association

Mr CHAN Cheung-chor
Chairman

H.K. Public Housing Est Shop-Operators Union

Mr CHAN Wing-shing
Chairman

Mr WONG Sing-tak
Treasurer

Hong Kong Retail Management Association

Ms Caroline MAK
Spokesman

Mrs Maria WONG
Representative

Clerk in attendance : Miss Odelia LEUNG
Chief Council Secretary (1)4

Staff in attendance : Ms Sarah YUEN
Senior Council Secretary (1)6

Ms Christina SHIU
Legislative Assistant

Action

I. Matters arising

- (LC Paper No. CB(1)2298/03-04(01) -- List of outstanding items for discussion
LC Paper No. CB(1)2298/03-04(02) -- List of follow-up actions)

Members agreed that the Panel's list of outstanding items for discussion should be rolled over to the next legislative term for follow-up by the new Panel on Housing.

2. The Chairman advised that the Administration would report before prorogation of the current legislative term on the follow-up actions on outstanding matters arising from previous meetings of the Panel as stated in the list of follow-up actions.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)2394/03-04 on 14 July 2004.)

II. Information paper issued since last meeting

3. Members noted that no information paper had been issued since the last monthly regular meeting of the Panel on 7 June 2004.

III. Disposal of Kingsford Terrace Private Sector Participation Scheme flats

(LC Paper No. CB(1)2291/03-04(01) -- Information paper provided by the Administration)

4. The Deputy Director of Housing (Development & Construction) (DD of H(D&C)) briefed members on the Administration's paper on the present position of the Kingsford Terrace Private Sector Participation Scheme (PSPS) project.

Residential flats of the Kingsford Terrace

5. The Chairman enquired about how the Administration intended to dispose of the residential flats of the Kingsford Terrace which the Housing Authority (HA) decided to purchase from the developer of the Kingsford Terrace (the Developer) because they could not reach agreement on lease modification premium. In reply, DD of H(D&C) advised that possible disposal options included sale as PSPS flats after 2006 after the moratorium on sale was lifted, sale through auction, conversion to public rental housing (PRH) and conversion to Government departmental quarters. The HA would examine in detail which option to adopt. It was believed that a decision would be made very soon.

6. In response to Mr Howard YOUNG, DD of H(D&C) confirmed that conversion to departmental quarters for disciplined services was one of the proposals being contemplated. In this connection, Mr YOUNG pointed out that a case conference had been arranged by the Complaints Division of the Legislative Council (LegCo) Secretariat in response to concerns raised by staff of the disciplined services affected by the proposal to convert HOS flats into departmental quarters. He urged the Administration to properly address the concerns to enable the proposal to go ahead. DD of H(D&C) reported that the matter was being handled.

7. Mr Howard YOUNG called on the Administration to help resolve the disagreement between hotel operators and tourist agency operators about the proposed conversion of surplus HOS blocks to guesthouses so that the option could be pursued. In response, DD of H(D&C) agreed to relay his views to the HA for consideration.

8. In reply to the Chairman on the likelihood of converting the flats in Kingsford Terrace to PRH flats, DD of H(D&C) explained that since the flats were mainly three-room flats, eligible Waiting List applicants were limited. Consideration might however be given to allocating the flats to sitting well-off PRH tenants.

Non-domestic portion of the Kingsford Terrace

9. Mr Howard YOUNG asked whether the Developer could seek damages from the HA over the suspension of sales of the residential flats in the Kingsford Terrace in the event that agreement concerning the non-domestic portion could not be made. In response to him and the Chairman, DD of H(D&C) and the Assistant Director of Housing (Legal Service) (AD of H(LS)) explained that the Developer had already filed claims for damages and it was not appropriate to provide details on the matter.

10. The Chairman was concerned that disposal of the residential units of the Kingsford Terrace might be affected if the HA could not reach an agreement with the Developer to purchase the non-domestic portion of the Kingsford Terrace. DD of H(D&C) advised that the non-domestic portion belonged to the Developer and, under the relevant Conditions of Sale, the HA was not under any obligation to purchase it. Ownership of the non-domestic portion by the HA should not be a prerequisite for disposal of the residential units through sale by tender or auction. The HA would purchase the non-domestic portion only when the price was reasonable, although HA's ownership of the whole development would accord it with greater flexibility to dispose of it. In response to the Chairman, DD of H(D&C) and AD of H(LS) further advised that purchase of the non-domestic portion by the HA should not be a prerequisite for disposal of the residential units through sale by tender or auction. However, to put the matter beyond doubt, legal opinion was being sought. The way forward in relation to the disposal of the Kingsford Terrace would be decided thereafter.

11. While satisfied that the handling of the Kingsford Terrace PSPS project had so far complied with the relevant contract and procedures, the Chairman was keen to ensure that the Kingsford Terrace could be disposed of as soon as practicable to minimize financial loss by leaving it idle. In response, DD of H(D&C) assured members that the HA likewise aimed to work out how to dispose of the Kingsford Terrace early.

- IV. Divestment of Housing Authority's retail and car-parking facilities**
(LC Paper No. CB(1)2291/03-04(07) -- Background brief on "Divestment of Housing Authority's retail and car-parking facilities" prepared by the Legislative Council Secretariat)

Meeting with deputations

12. Members noted the submission (LC Paper No. CB(1)2291/03-04(06)) dated 28 June 2004 from The Real Estate Developers Association of Hong Kong, which was not attending the meeting.

13. Members also noted the following papers tabled at the meeting -

- (a) Submission from the Grassroots Housing Rights Defense Alliance;
- (b) Further submission from the Practising Estate Doctors' Association Limited; and
- (c) Chinese version of the submission from the Hong Kong Doctors Union.

(Post-meeting note: The above papers were circulated to members vide LC Paper No. CB(1)2321/03-04 on 6 July 2004.)

Meeting with the Neighbourhood and Worker's Service Centre (NWSC)
(LC Paper No. CB(1)2298/03-04(03))

14. Mr WONG Yun-tat, Community Affairs Officer of NWSC, briefed members on NWSC's submission.

Meeting with Grassroots Housing Rights Defense Alliance (the Alliance)
(LC Paper No. CB(1)2321/03-04(01) tabled at the meeting)

15. Mr NG Wing-chak and Ms CHAN Tung-mui, members of the Alliance, briefed members on the Alliance's submission.

Meeting with Wong Chuk Hang Estate Re-development Group (the Re-development Group)
(LC Paper No. CB(1)2298/03-04(04))

16. Ms LEUNG Ying-wai and Mr AU-YEUNG Won, representatives of the Re-development Group, briefed members on the Re-development Group's submission.

Meeting with the Practising Estate Doctors' Association Limited (PEDA)
(LC Paper No. CB(1)2291/03-04(02) and LC Paper No. CB(1)2321/03-04(02) tabled at the meeting)

17. Dr LING Chui-pui, Chairman of PEDA, briefed members on PEDA's submissions.

Meeting with The Association of Licentiates of Medical Council of Hong Kong (the Association)

(LC Paper No. CB(1)2291/03-04(04))

18. Dr LI Sum-wo, Chairman of the Association, briefed members on the Association's submission.

Meeting with the Hong Kong Medical Association (HKMA)

(LC Paper No. CB(1)2291/03-04(03))

19. Dr CHOI Kin, Council Member of HKMA, briefed members on HKMA's submission.

Meeting with the Hong Kong Doctors Union (HKDU)

(LC Paper No. CB(1)2298/03-04(05))

20. Dr SHE Siu-yam, Hon Treasurer of HKDU, briefed members on HKDU's submission.

Meeting with the Estate Restaurant (HK) Merchant Association (the Merchant Association)

(LC Paper No. CB(1)2298/03-04(06))

21. Mr CHAN Cheung-chor, Chairman of the Merchant Association, briefed members on the Merchant Association's submission.

Meeting with H.K. Public Housing Est Shop-Operators Union (the Shop-Operators Union)

(LC Paper No. CB(1)2291/03-04(05))

22. Messrs. CHAN Wing-shing and WONG Sing-tak, Chairman and Treasurer respectively of the Shop-Operators Union, briefed members on the Shop-Operators Union's submission.

Meeting with the Hong Kong Retail Management Association (HKRMA)

(LC Paper No. CB(1)2309/03-04(01))

23. Ms Caroline MAK, spokesman of HKRMA, briefed members on HKRMA's submission.

Meeting with the Administration

(LC Paper No. CB(1)2291/03-04(08))

24. The Chairman explained that the Panel had agreed to invite to this meeting the Chief Executive Officer (CEO) of the company (MtgCo) established for managing the Real Estate Investment Trust (REIT) through which the HA's retail

and car-parking (RC) facilities would be divested. However, the CEO had not yet reported for duty as of date.

General response to the deputations

25. At the Chairman's invitation to respond to the deputations, which expressed reservations and various concerns about the divestment, the Permanent Secretary for Housing, Planning and Lands (Housing) (PSH) gave the following justifications for the divestment -

- (a) The divestment of the RC facilities had undergone thorough consideration, with an objective of enabling the HA to focus its valuable resources on its core function as the provider of public housing in Hong Kong. It was in line with the clear direction provided in the Review of the Institutional Framework for Public Housing published in June 2002, where it was recommended that the HA should progressively divest its non-core assets, i.e. the RC facilities;
- (b) The divestment was consistent with the HA's objective of "streamlining its internal structure" as stated in the 2003 Policy agenda to upkeep the principle of "big market, small government". Through subjecting the operation of the RC facilities to market forces, operational efficiency could be enhanced to the benefit of the community; and
- (c) Proceeds from the divestment could temporarily address the present acute cash-flow problem faced by the HA as a result of the cessation of Home Ownership Scheme (HOS) sale, so that the HA could continue to produce PRH for those in need. On the other hand, although the rental income from the RC facilities constituted a stable source of recurrent income for the HA, it was achieved with low cost-effectiveness due to high operating costs.

26. PSH also addressed the deputations' common concerns as follows -

- (a) If the financial condition of the HA deteriorated despite the divestment and the HA's efforts to increase incomes and cut costs, the Government might need to inject funds into it. This was because the provision of subsidized housing was one of Government's undertakings;
- (b) Careful arrangements would be worked out to ensure a smooth transition to the divestment. Close consultation with Housing Department (HD) staff and other stakeholders would be kept up to address their concerns. In fact, according to the wish list of commercial tenants attached to the Administration's paper, some

items therein only required clarification. As to those relating to the tenancy policy, the HA was seriously taking them up with the MgtCo. In addition, a regular and effective communication channel between the MgtCo and the stakeholders would also be established to enable the two to directly discuss and consider the issues and concerns in a timely manner;

- (c) The commercial tenants would not be unduly affected by the divestment because their interests and those of the MgtCo were aligned. Both would benefit from enhanced operational efficiency of the RC facilities. In fact, the MgtCo could generate profits only by operating the RC facilities most suited to users' needs. As such, although the MgtCo would be operating on a commercial basis, it would be in its interest to foster an open dialogue and close partnership with the commercial tenants in its effort to enhance the asset value and operational efficiency of the RC facilities; and
- (d) The divestment exercise had so far gone very smoothly. Although there were different views in the community, there was public support for the divestment. With the assistance of the investment banks appointed for the divestment exercise, the preparatory work had already entered its final stage. Although operation of the RC facilities presently were still supported by the HA before the public listing of the REIT on the market, their management would be taken over by the MgtCo progressively.

Response to doctors' concerns

27. The Chairman enquired whether special treatment in terms of renewal of tenancy and rental level presently available to community organizations could be extended to doctors' clinics. In reply, PSH explained that the service of doctors was no different from that provided by the shop-operators. To ensure fairness, the Administration did not consider it desirable to single the former out for special treatment. Presently certain non-profit making social service facilities were charged concessionary rents and the future arrangement for such facilities would be further worked out.

28. Dr LI Sum-wo of the Association recalled that the Government had always taken upon itself to ensure affordable medical services would be available to the public. Against this background, the then Medical and Health Department and the then Resettlement Department in the fifties and sixties invited doctors to open clinics in PRH estates such as those in Shamshuipo and Shek Kip Mei. The HA should therefore carefully examine and account for the planned change in the letting policy in relation to clinics. Moreover, the change might also be contrary to the overall policy direction of the Government. Dr LI further cautioned that large medical groups had already been preparing to take the opportunity of the divestment to effect a monopoly in PRH estates.

29. Dr YEUNG Chiu-fat, President of HKDU, echoed Dr LI's point about the looming monopoly. He then highlighted the need for more meetings to enable commercial tenants to express their views because the Administration did not seem to understand their concerns. He also considered it important for the commercial tenants to be properly represented in the MgtCo, and to allow them to subscribe for REIT units on a pre-emptive basis so as to use them as a buffer against any possible rental increase in future.

30. In response to the two doctors, PSH acknowledged the importance of medical service and the provision of clinic services to meet the needs of residents. He however reiterated that since clinics were essentially private businesses, they should not be given special treatment and it was not unreasonable to subject them to the tendering process as other commercial tenants. As for the scheduling of more meetings, PSH assured that meetings would be arranged between the commercial tenant groups and the CEO.

31. Dr YEUNG Sum pointed out that although the divestment was HA's established policy direction, a mixed mode should be pursued to take forward the divestment in consideration of the concerns of the doctors' associations about monopoly by large medical groups, so that estate doctors' good performance and contributions to the community in the past could be given due recognition. In response, PSH said that although the HA would have no role to play in the operation of the RC facilities after listing of the REIT, the MgtCo would have a majority of independent non-executive directors on its board of directors. The operation of the MgtCo would thus be highly transparent, and open tendering would help obviate monopoly. Miss CHAN Yuen-han, however, did not believe that open tendering could prevent monopoly because small operators, who could hardly compete with large corporations, would be disadvantaged in tender exercises.

Response to retailers' concerns

32. At the Chairman's invitation, PSH responded to merchants associations' concerns about security of tenancy and suspension of improvement works to the retail facilities. PSH said that the HA would work with the MgtCo to ensure concerns about security of tenancy could be addressed agreeably during the transitional period. On improvement works to the commercial facilities, PSH undertook that committed works would be carried out as planned. As to the provision of air-conditioning to certain markets, the feasibility studies on such were still in progress. He however pointed out that, because of the need to pay air-conditioning charges, not all stall operators in the markets concerned welcomed the provision of air-conditioning.

33. Mr WONG Sing-tak of the Shop-Operators Union enquired if deputations could attend the meetings between the HA and the MgtCo. He also highlighted reports that the improvement works at Chuk Yuen Estate would be suspended, and

cast doubt on PSH's undertaking that improvement works would not be affected by the divestment. He further pointed out that open tendering could serve little purpose in preventing monopoly because, as shown in the practices of certain large supermarkets and management companies, they did not perceive themselves as having any social obligations, and would take various measures to compete against conventional markets and newspaper stalls for business.

Response to members' concerns

- Reservations about the divestment

34. Mr LEUNG Yiu-chung stated his opposition to the divestment for the following reasons -

- (a) There was no guarantee that the concerns and requests raised by the stakeholders would be fully addressed. PSH had only undertaken to follow up on them with the MgtCo. Moreover, there was no mechanism to empower the HA to ensure the MgtCo would address the concerns. There would also be no way to urge the MgtCo to provide rent concessions at times of need such as during the outbreak of the severe acute respiratory syndrome (SARS);
- (b) Notwithstanding PSH's assurances, there was difficulty in ensuring the MgtCo would see itself as having any social obligation. On the contrary, given the MgtCo's priority to financial returns, it would be more ready than the HA to increase rents of the RC facilities and the burden of which would be passed onto consumers in terms of higher prices of goods and services; and
- (c) The proceeds from the divestment were not substantial enough to justify the divestment. In fact, the rental income from the RC facilities was a major source of recurrent cash flow to the HA and without which, the HA would incur deficit in the long run.

35. Miss CHAN Yuen-han also expressed strong reservation about the divestment. In her view, although there was room for improvement in HA's operation of the RC facilities, the HA should seek to improve operational efficiency instead of divesting the facilities.

36. Mr Frederick FUNG Kin-kee found the justifications given by the HA for the divestment in paragraph 25 above, namely, its financial difficulty and the need to focus on PRH production, unconvincing. This was because as shown in the past twenty years, operation of the RC facilities had not diminished HA's role as a provider of public housing. As to HA's financial difficulty, he attributed such to the loss of income resulting from the cessation of HOS sale, and said the commercial tenants should not be made to bear the consequences. Moreover, the proceeds from the divestment could hardly make up for the loss of the long-term

incomes generated from the RC facilities for the HA. In fact, the proceeds would amount to only about twenty years of rental income from the RC facilities. In response, PSH reiterated the need for change and hence the divestment.

- Concerns about stakeholders' interests

37. Regarding Mr LEUNG Yiu-chung's point on how the concerns and requests of the stakeholders could be addressed, PSH said he was confident that if the stakeholders' requests were reasonable and practicable, the MgtCo would be willing to discuss with them to see how their requests could be entertained. The important thing was to keep an open mind and be willing to listen to each others' views. He reiterated that the interests of the MgtCo and the commercial tenants were aligned after all. He further reaffirmed that, before the public listing of the REIT, the HA would continue to maintain a keen interest in the dialogue between the MgtCo and the commercial tenants. The HA would facilitate the establishment of a partnership relationship between them with a view to identifying win-win solutions to the issues raised.

38. Dr YEUNG Sum opined that meetings between the deputations and the CEO should be arranged as soon as practicable to enable the former to relay their concerns directly to the CEO. PSH agreed with him on the need for meetings to facilitate communications between MgtCo and various parties, and reported that meetings were being arranged.

39. Concerned that stakeholders' interests might be jeopardized if being left to negotiate with the MgtCo by themselves, Miss CHAN Yuen-han requested that the divestment be suspended in consideration of the expiry of the current legislative term, so that the Panel could closely follow up the divestment next term to protect stakeholders' interests. She highlighted several reasons for the need for close monitoring by the LegCo. Firstly, many of HA's small commercial tenants might not know how to make a living if they could not continue to rent HA's retail facilities to continue their businesses. Secondly, there was doubt about whether the deputations' request for tenancy renewal up to eight years could be granted. Thirdly, the Administration had yet to ensure that the implications of the divestment on HA staff could be properly mitigated. In response, PSH reiterated the keen interest of the HA on the dialogue between the MgtCo and the stakeholders before the public listing of the REIT. As to staff, various measures would be taken to facilitate their gainful redeployment to other duties.

- Concerns about operation and tenancy policy of the company

40. Mr Fred LI Wah-ming pointed out that as shown in the past, the HA was more ready than other property owners to offer rent concessions during difficult times. It had also always provided "rent adjustment" for new estates with slow population intake, and given special treatment to clinics when awarding tenancy. He was concerned that these lenient and considerate rental policies might not continue after the divestment.

41. Addressing Messrs LEUNG Yiu-chung's (paragraph 34(b)) and Fred LI's (paragraph 40) concern that the MgtCo would be less inclined than the HA to give sympathetic considerations to commercial tenants, PSH stressed that it would be in the interest of the MgtCo, being the operator of so many RC facilities, to respond to the needs of the residents and commercial tenants concerned and to maintain a high standard of commercial ethics as these would greatly affect its own image and operation. He further pointed out that owing to the greater flexibility of the MgtCo than the HA, the divestment was expected to benefit the commercial tenants of the RC facilities in terms of improvements in operational efficiency and market responsiveness, and increase in pedestrian flow, turnover and profits.

42. Mr LEUNG Yiu-chung was dissatisfied that PSH should under assess the performance of the HA in operating the RC facilities so as to highlight the benefits of the divestment. He cast doubt on whether in reality the divestment would be beneficial and quoted a case where a HA market was let to one single operator who then sublet the stalls concerned to small operators. According to him, when the HA provided rent concessions to its commercial tenants in the 2001 Rents Assessment Exercise, the above sub-tenants were unable to benefit because the single operator had not passed on the concessions. The above case could show that corporations running on a commercial basis might not necessarily pay heed to social responsibilities. The MgtCo might be ready to shoulder up social responsibilities before the listing but would unlikely continue to do so thereafter.

43. In response, PSH clarified that the single-operator mentioned above did pass on the rent concessions although the percentages of reductions were different because the rent levels concerned varied. Reiterating that the MgtCo could not operate without regard to the views of the stakeholders, PSH also took the opportunity to explain below how REIT operated -

- (a) REITs essentially operated in a conservative manner, relying on a stable rental income made possible by improving the occupancy rate, minimizing overall costs, and adding value to the business environment. As such, it was unlikely that the MgtCo could afford to totally ignore the views and needs of commercial tenants when determining the rents. To the contrary, it would aim to form partnership with commercial tenants and set reasonable rental policy in order to retain existing commercial tenants and attract new ones;

- (b) A smooth transition was essential and an effective communication channel with the commercial tenants would be established to discuss and consider the various concerns raised by the commercial tenants; and
- (c) A REIT would attach much importance to proper corporate governance featuring high transparency and a clear dividend policy which paid out the majority of its net earnings to shareholders. Market forces could thus operate to maintain a balance of interests among different parties concerned.

- Other concerns

44. Mr YEUNG Yiu-chung was doubtful whether the MgtCo could address the stakeholders' concerns. This was because notwithstanding claims that the stakeholders had been closely consulted, the deputations which attended this meeting were still opposed to the divestment. In reply to him on whether the divestment would go ahead despite the opposition, PSH pointed out that the deputations' concerns about the divestment had been expressed before and had been thoroughly examined by the HA and discussed by the public at large. The general public opinion and the HA however agreed that the divestment was necessary for reasons elaborated in the preceding paragraphs. Mr YEUNG however said that in his view, there was no consensus in the community for the divestment to go ahead. In response, PSH maintained that given that there would always be different views on any policy, the HA considered that the community in general found the divestment a right direction to take.

45. Mr Fred LI was concerned that after the divestment, LegCo Members and the District Councils could not play any role in ensuring the commercial tenants of the RC facilities would be treated properly. To substantiate his concern, he recalled that when he tried to negotiate rent relief for commercial tenants of Amoy Garden during the SARS outbreak, the management company concerned refused to see him. In response, PSH emphasized that although the MgtCo would operate independently from HA after listing, it was expected to continue to communicate with the stakeholders and other interested parties in the community.

Conclusion

46. Summing up, the Chairman commented that when the Panel was first briefed on the divestment, the HA had already agreed in principle to divest the RC facilities. The divestment exercise had proceeded despite members' reservations about it. He said that notwithstanding the end of the current legislative term, members could continue to help deputations in their personal capacities. He was also sure that the Panel on Housing would continue to follow up the issue in the next term. As for himself, he would liaise with the CEO to urge him to gear up communication with the deputations.

V. Any other business

47. There being no other business, the meeting ended at 4:40 pm.

Council Business Division 1
Legislative Council Secretariat
31 August 2004