

**議員個人利益監察委員會**

**就涂謹申議員未有按照《議事規則》第 83 條的規定**

**向立法會秘書登記個人利益的個案**

**作出考慮後向立法會提交的報告**

**Report of the Committee on Members' Interests  
on its consideration of the cases of  
Hon James TO's failure to register interests  
with the Clerk to the Legislative Council  
pursuant to Rule 83 of the Rules of Procedure**

**2005 年 3 月  
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## **CHAPTER 1**

### **INTRODUCTION**

1. This is a report to the Legislative Council (LegCo) on the consideration of the Committee on Members' Interests (the Committee) on the cases of Hon James TO's failure to furnish to the Clerk to the LegCo particulars of his registrable interests, which were shareholding interests in Target Link Limited (TLL) and Union Pace Development Limited (UPDL), pursuant to Rule 83 (*Registration of Interests*) of the Rules of Procedure of LegCo (RoP) during the period from 1 July 1998 (which was the commencement date of the first term LegCo) to 25 August 2004<sup>1</sup> (when the second term LegCo was in prorogation).

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<sup>1</sup> On 26 August 2004, Hon James TO submitted to the Clerk to the LegCo a page of the Registration Form on Members' Interests, which he had signed on the previous day, registering his shareholding interests in TLL.

## **CHAPTER 2**

### **THE EXISTING INTERESTS REGISTRATION SYSTEM**

2. The existing interests registration system is an honour system. Its aim is to allow the public, through registration of interests by Members, to inspect the register concerned and use it as a reference to determine whether Members are under the influence of their interests in discharging their functions as Members, with a view to upholding the credibility of LegCo. According to Rule 83 (*Registration of Interests*) of the RoP, Members shall, not later than the first meeting of each term, furnish to the Clerk to the LegCo in such form as may be approved by the President, particulars of his registrable interests, and particulars of such within 14 days of any such change. According to Rule 85 (*Sanctions relating to Interests*), any Member who fails to comply with the registration rule may be admonished, reprimanded or suspended by the Council on a motion to that effect.

## **CHAPTER 3**

### **THE CASE OF TARGET LINK LIMITED**

#### **Reports and complaints received by the LegCo Secretariat**

##### Report in local newspaper

3. On 23 August 2004, a local newspaper reported that Hon James TO had not declared with the Clerk to the LegCo his shareholdings in TLL in accordance with the RoP, and that he rented the sitting room of a property owned by TLL for use as his LegCo Member's District Office from June 1998 to July 2001 and claimed reimbursements from the public coffers of rental expenses at a level above the market rate. In addition, two District Council (DC) Members each rented a room in the property in question from January 2000 to December 2003 and January 2000 to March 2004 respectively.

##### Follow-up actions taken by the Clerk to the LegCo in respect of the report

4. Since the Registration Forms on Members' Interests (Registration Form) Hon James TO submitted to the Clerk to the LegCo during the period from 1998 to 23 August 2004 did not show that he had registered his shareholding interests in TLL, and the Committee had ceased operation as the second term LegCo was in prorogation at the time, the Clerk to the LegCo wrote to Hon James TO, on the same day as the above report was published in the newspaper, asking him to clarify :
  - whether TLL had been previously registered with the Secretariat; and
  - whether he had control of TLL or had more than 50% shareholding in it.<sup>2</sup>

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<sup>2</sup> According to the Note of the Registration Form on interests under the category of "Land and Property", in the case where a Member has control of a company or has more than 50% shareholding in it, and the company owns a property, the property is a registrable item.

### Explanations given by Hon James TO

5. In his written reply to the Clerk to the LegCo on 26 August 2004, Hon James TO confirmed that he had shares in TLL. However, he claimed that he had all along mistakenly believed that TLL had issued two shares only, each of which held respectively by he himself and another Democratic Party (DP) member (i.e. each had 50% shareholding), and he had donated his one share to DP by way of trust. Therefore, he held the share in the capacity of a "nominee shareholder" only. According to Note (b) under the item "Shareholdings" in the Registration Form, "shareholdings" is defined as personal shareholdings and do not include shareholdings held by a Member in the capacity of a nominee shareholder; and Note (c) states that "it is the obligation of a Member to register interests under this category within his knowledge". Moreover, he was not a remunerated director of TLL and did not receive any material benefits. Therefore, he believed that he was not obliged to register such interests with LegCo. He realized only afterwards that he had misunderstood the situation. In fact TLL issued 100 shares and he held 50 of them. Discounting the one share which he had already donated to DP, he still held 49 shares, which accounted for more than one-hundredth of the issued shares of a company, and hence were registrable interests according to the RoP. He then submitted out of time the relevant page of the Registration Form to register the interests. Hon James TO also stated that he neither had control of TLL nor had more than 50% shareholding in it. Copies of Hon James TO's letter and Registration Form are in **Appendices 1 and 2**. The Clerk to the LegCo wrote to Hon James TO (**Appendix 3**) subsequently informing him that a report on the case would be submitted to the Chairman of the Committee of the third term LegCo upon its establishment so that the Committee might decide on how to follow up the case.

### Relevant complaints received by the LegCo Secretariat

6. The Secretariat also received five related complaints from 24 August to 15 September 2004. Four of them were made in relation to Hon James TO's failure to register his interests, the problem with his integrity and his claims for reimbursements from the public coffers of the rent of his LegCo Member's District Office at a level above market rate. The remaining complaint was about the entire system of registration of interests by Members and the claims for reimbursements of expenses from the public coffers. No Member was named in that complaint.

### **The establishment of the Committee on Members' Interests of the third term LegCo**

7. The President of LegCo appointed the Chairman, Deputy Chairman and members of the Committee of the third term LegCo on 19 October 2004 in accordance with an election procedure determined by the House Committee. The membership list and the terms of reference of the Committee are set out in **Appendices 4 and 5** respectively.

### **Report and complaints received by the Committee**

8. According to "The Procedure of the Committee on Members' Interests for Handling Complaints Received in relation to the Registration and Declaration of Members' Interests" (**Appendix 6**) (The Procedure for Handling Complaints) drawn up by the Committee of the first term LegCo in July 1999, upon receipt of a written complaint by the Committee from a Member or a member of the public about the registration or declaration of interests of a Member, the Clerk to the Committee shall forthwith contact and verify the identity of the complainant. The Clerk shall then distribute the complaint in the form of a confidential document to members of the Committee and he shall ask the Chairman of the Committee to decide within two working days whether a meeting on the matter should be held. Pursuant to the Procedure for Handling Complaints, the Clerk to the Committee submitted on 26 October 2004 information on Hon James TO's admission of his late registration of interests and the five related complaints to the Chairman for her to decide the appropriate way to deal with them. The Chairman of the Committee replied to the Clerk on 27 October 2004 that she decided to hold a closed meeting to discuss the issues.

### **Meetings held by the Committee**

#### Meetings held by the Committee to discuss the incident

9. The Committee held a total of 16 meetings from 3 November 2004 to 23 February 2005, to discuss Hon James TO's late registration of interests and the related complaints. The Committee held three meetings with Hon James TO, in which he was requested to give explanations on his case and provide information to members. The Committee also requested Hon James TO to provide written clarifications of certain matters.



The Committee's consideration on how to proceed with Hon James TO's case

10. When deliberating on Hon James TO's late registration of interests and the related complaints, the Committee referred to the following provisions as well as the practice of the Committee of the previous terms of LegCo:
  - (1) Rule 73(1)(c) of the RoP: the Committee may consider and investigate any complaint made in relation to Members' failure to register and declare their interests;
  - (2) the Procedure for Handling Complaints: the Committee will not handle the following complaints -
    - (i) complaints not made in writing;
    - (ii) complaints not related to the registration and declaration of Members' interests;
    - (iii) complaints made by an anonymous or unidentifiable person or by a person who cannot be contacted; and
  - (3) how the Committee of the first term LegCo had handled cases of individual Members' late registration of interests. These cases were reported to the Committee by the Members concerned of their own accord. After deliberation, the then Committee considered that these cases obviously did not involve any conflict of interests. The Committee therefore decided that there was no need to take further action.
11. The Committee noted that among the five complaints it received, the subject matter of the first two complaints involved Hon James TO's failure to register interests but they were not made in writing. The third complaint did not name any Member and was not made in writing, either. The complainant in one of the remaining two complaints did not provide name or contact details. The subject matter of the other complaint was about the integrity of Hon James TO and his claiming reimbursements of rentals at above-market level, and not about his late registration of interests. Since the complaints did not meet the criteria provided in the Procedure for Handling Complaints, the Committee considered that none of them required follow-up.
12. However, the Committee noted that Hon James TO admitted his late registration of interests in his letter to the Clerk to the LegCo on 26 August 2004 (**Appendix 1**). Given that Hon James TO had claimed reimbursements from the public coffers of the rental expenses on renting a property owned by TLL and thereby conflict of interests might be

involved, the Committee decided to follow up the case with a view to ascertaining the relevant facts and examining whether Hon James TO's failure to register interests was a deliberate act, so as to decide whether it was necessary to report to the Council and recommend sanctions in accordance with Rule 73(1)(e) of the RoP. The Committee also decided that in following up the case, reference should be made to the Procedure for Handling Complaints, and to the way cases of late registration of interests had been dealt with by the Committee of the first term.

13. The Committee had considered whether it had been authorized to ask Hon James TO questions relating to his claims from the public coffers to reimburse his rental expenses on the property owned by TLL. The Committee concluded that it was not empowered to judge whether or not such act of Hon James TO was appropriate, or determine whether or not the rental level was above the market rate. However, obtaining reimbursement of expenses by Members through applications made to the LegCo might involve conflict of interests which they did not wish to disclose, thereby constituting an incentive to not register the interests in accordance with the RoP. The Committee therefore deemed it necessary to ask Hon James TO questions on the rental expenses with a view to determining whether or not his late registration of interests had involved such incentive.

#### The Committee's meetings with Hon James TO

14. The Committee held a total of 3 meetings with Hon James TO. The purposes of the meetings were:
  - (1) to request Hon James TO to provide detailed information on the incident; and
  - (2) to put questions to Hon James TO with a view to examining whether his failure to register his interests was a deliberate act; and if so, whether the motive was connected to his claims for reimbursements from the public coffers of rental expenses in respect of the property in question, and whether conflict of interests was involved.
15. Based on the detailed information on the incident provided by Hon James TO, supplemented by the information kept by the Yau Tsim Mong District Council (YTMD) Secretariat and by the LegCo Secretariat, the Committee prepared a chronology of events, as follows:

<b>Table 1 Chronology of events which relate to Hon James TO's late registration of his shareholding interests in TLL</b>		
	<b>Date</b>	<b>Events</b>
1	2 May 1997	Hon James TO became a first-term director of TLL. ( <b>Appendix 7</b> )
2	(The date on which the trust was signed could not be confirmed but Hon James TO told the Committee on 10 December 2004 that the date should immediately follow 2 May 1997)	Hon James TO signed a trust document to declare that he held one TLL share on behalf of the DP. (A copy of the undated trust document is in <b>Appendix 8</b> )
3	12 May 1997	TLL signed the Sale and Purchase Agreement to buy a property at Lai Chi Kok Road.
4	15 May 1997	Hon James TO and the other director of TLL signed a written resolution to allot to each of them 49 TLL shares. ( <b>Appendix 9</b> )
5	29 May 1997	The Subscriber of TLL transferred one share of equity in TLL to Hon James TO and requested the Collector of Stamp Revenue to stamp the instrument. ( <b>Appendix 10</b> )
6	3 June 1997	TLL signed the Deed of Assignment to become the owner of the property at Lai Chi Kok Road, and on the same date mortgaged the property with a bank.
7	June 1998 to July 2001	Hon James TO claimed reimbursements from the public coffers of the rental expenses on renting the sitting room of the property owned by TLL for use as his LegCo Member's District Office. (Copy of the rental receipt for June 1998 is in <b>Appendix 11</b> )
8	1 January 2000	Hon James TO took the office of YTMDC member.
9	27 March 2000, 7 February 2001, 15 March 2002, 17 February 2003, 3 February 2004 and 7 September 2004	The interests registered by Hon James TO with the YTMDC Secretariat on 27 March 2000, 7 February 2001, 15 March 2002 and 3 February 2004 included his shareholding interests in TLL. Those registered on 17 February 2003 did not include such interest but Hon James TO registered such interest out of time on 7 September 2004.
10	January 2001 to December 2003 and January 2000 to March 2004 respectively	TLL let two rooms in the property mentioned in item 6 above to two DC members who were also DP members.

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11	23 August 2004	A local newspaper reported that Hon James TO rented a property under his name for use as LegCo Member's District Office but failed to register such interest with the Clerk to the LegCo.
12	23 August 2004	The Clerk to the LegCo wrote to Hon James TO enquiring about the registration of the interest concerned.
13	26 August 2004	Hon James TO gave a reply to the Clerk to the LegCo and attached a page of the Registration Form, which he had signed on 25 August 2004, in order to register out of time his shareholding interests in TLL. He stated in the letter that he had mistakenly believed that TLL had issued only two shares and he was holding one share on behalf of the DP by way of trust and was therefore a nominee shareholder.
14	22 November 2004	Hon James TO submitted copies of the documents related to his purchase of one TLL share, his holding of one TLL share on behalf of the DP and the Annual Return TLL submitted to the Companies Registry on 19 March 1998 ( <b>Appendix 12</b> ); he also provided the relevant dates on which he became a first-term director of TLL, and the signing of the Sale and Purchase Agreement and the Deed of Assignment for the purchase of a property at Lai Chi Kok Road by TLL.
15	7 December 2004	Hon James TO provided copies of the following documents: <ul style="list-style-type: none"> <li>• the Memorandum and Articles of Association of TLL (<b>Appendix 13</b>)</li> <li>• the board resolution of the allotment of 98 TLL shares (<b>Appendix 9</b>)</li> <li>• the trust document signed by the other shareholder</li> <li>• the first Directors' Report of TLL (<b>Appendix 14</b>)</li> <li>• the floor plan of the property at Lai Chi Kok Road</li> <li>• the transcript of a news report of a local television broadcaster on 23 August 2004 (<b>Appendix 15</b>)</li> </ul>
16	17 January 2005	Hon James TO provided written explanation to the Committee on why the commencement date of the shareholding was expressed as "1 July 98", instead of May 1997, in the page of the Registration Form submitted by him in August 2004 for late registration of his shareholding interests in TLL. (see footnote of paragraph 17.7)

17	24 January 2005 28 January 2005	On 24 January 2005, Hon James TO submitted a copy of the trust document declaring that the 50 shares of TLL was held by him on behalf of the DP. He stated that he had signed the document in August 2004. The Committee then asked him to clarify why the document was not dated, why the number of shares involved was 50 instead of 49, and whether the old trust document (see item 2 above) had been revoked. Hon James TO replied on 28 January 2005 (see paragraphs 17.5 and 17.6).
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16. The Committee raised a number of questions with Hon James TO, which are summarized as follows:

- (1) the purpose of his purchasing TLL with another person;
- (2) the capacity in which he held the shares of TLL;
- (3) the reasons for his mistaking the number of shares issued by TLL and his shareholding;
- (4) the reasons for his registering the shareholding interests in TLL with YTMDC but not with LegCo;
- (5) the reasons for his renting the property owned by TLL for use as LegCo Member's District Office;
- (6) whether he had participated in the determination of the amount of rent charged by TLL for letting him the sitting room of the property for use as LegCo Member's District Office; and
- (7) the details of the renting of two rooms of the property by other persons in the relevant periods and their claims for reimbursements from the public coffers of rental expenses.

17. The answers to these questions obtained by the Committee are summarized as follows:

Hon James TO's explanations of the purpose of his purchasing TLL with another person

17.1 Hon James TO informed the Committee that in early 1997, he and some other DP members decided not to stand in the elections of the Provisional Legislative Council (PLC). In order to maintain an office to provide

continuous service to the residents of the local community during the term of PLC (i.e. from 1 July 1997 to 30 June 1998), he and the DP members of the Kowloon West Branch jointly purchased a property in Kowloon West and donated the property to DP for use as their district offices. To facilitate the process, they also decided to put the property under the name of a limited company. In this connection, they bought a shell company (i.e. TLL) from a secretarial services company with Hon James TO and another DP member each holding one share of the two shares issued by that company.

Hon James TO's explanations of the capacity in which he held the shares of TLL

- 17.2 According to the written information provided by Hon James TO, he and two other persons became the first-term directors of TLL on 2 May 1997. Pursuant to paragraph 6 of the Articles of Association of the company (**Appendix 13**), the Subscriber of TLL nominated them as the first-term directors of the company in writing. After the stamping of the transfer instrument on 29 May 1997, two of the first-term directors were each officially transferred one share of the company by the Subscriber. In this regard, Hon James TO pointed out that although the document showed that the date on which he was transferred one share by the Subscriber of TLL was 29 May 1997, in fact, he had already been transferred the share when he became a first-term director of TLL on 2 May 1997. The secretarial services company, for administrative convenience, did not submit the relevant instrument to the Collector of Stamp Revenue for stamping until 29 May 1997. The Memorandum and Articles of Association of the company (**Appendix 13**) indicated that the company had two shares only at that time. As such, the share held by Hon James TO represented a 50% shareholding of the company.
- 17.3 Hon James TO informed the Committee that shortly after he had become a director of TLL, he signed a trust document which declared that the one TLL share in his hand was being held on behalf of the DP. At that time, he did not know for sure when he would be transferred that share of the company. He therefore did not date the trust document. He thought that the person who was in charge of DP's finances would follow up the matter. Since then, he had always thought that he was holding the TLL share on behalf of the DP in the capacity of a trustee.
- 17.4 Hon James TO confirmed to the Committee that the other shareholder of the company also signed a trust document to declare that he was holding the one share as a trustee on behalf of the DP. Having obtained the consent of that person, Hon James TO provided the Committee with the

trust document signed by that shareholder. The Committee noted that the format and the essential wording of the trust document signed by that shareholder were the same as that signed by Hon James TO, and that neither of them had dated the document concerned.

- 17.5 When Hon James TO met the Committee on 17 November 2004, he stated that he had signed a new trust document transferring the remaining 49 shares of TLL to the DP. He subsequently provided a copy of the new trust document to the Committee upon request. However, the trust document showed that he was holding 50 shares, instead of 49 shares, of TLL as trustee for the DP. Despite his statement that he signed the new document in August 2004, the document was not dated. The Committee therefore asked Hon James TO to clarify why the document was not dated, why the number of shares involved was 50 instead of 49, and whether the old trust document had been revoked.
- 17.6 Hon James TO replied that he had discussed and come to agreement with a core member of the DP, who was responsible for party affairs, before he prepared the new trust document, in order to replace the original trust document to reflect the fact that, irrespective of the number of shares he held, he had always been holding the shares as a trustee only. He considered that this could satisfy the DP that all the shares he held were held in trust for it. It was also in order from a technical point of view. He also stated that after he had signed the trust document, he gave it to the aforesaid person, for him to discuss with the auditors of the DP and other professional persons how to deal with the matter, and to decide on the follow-up action as well as the date for the trust document. Hence, the trust document was not dated.

Hon James TO's explanations for his mistaking the numbers of shares issued by TLL and his shareholding

- 17.7 At its meeting on 23 November 2004, the Committee noted from the Annual Return of TLL filed with the Companies Registry on 19 March 1998 provided by Hon James TO that he was transferred one of the totally two shares of the company on 29 May 1997<sup>3</sup>. However, he was already

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<sup>3</sup> The Committee noted that when he acquired shareholding interests in TLL on 29 May 1997, Hon James TO was a Member of the former LegCo. Yet, he did not, in pursuance of Standing Order 64A (Registration of Interests) of the Standing Orders of the Legislative Council (Standing Orders), register the interests with the Clerk to the former LegCo in the following 14 days. In response to the Committee's enquiry on this point, Hon James TO stated that he failed to register the interests because it never occurred to him that there was a need to do so. In the page of the Registration Form submitted by Hon James TO in August 2004 for late registration of his shareholding interests in TLL, the commencement date for the shareholding was expressed as "since 1 July 98", instead of

holding 50 of the totally 100 shares of TLL when filing the Annual Return. The Committee asked Hon James TO about the reasons and the processes involved in the change of the number of shares.

- 17.8 Hon James TO informed the Committee that as he had all along thought that he only held one share of TLL as a nominee, i.e. trustee, he did not understand why he actually held 50 shares.
- 17.9 Hon James TO told the Committee that although he had signed the Annual Return of TLL filed to the Companies Registry, as the return had been audited by the auditor, he did not go through each page in detail. Instead, he simply signed at places where the secretarial services company had flagged. Until 23 August 2004, his understanding was that he was only holding one share of TLL as a nominee, and no personal interests were involved.
- 17.10 The Committee pointed out to Hon James TO that before 19 March 1998, TLL must have made a decision to increase the number of its shares from two to 100, i.e. an additional issue of 98 shares, among which he held 49 shares. Hon James TO told the Committee that his recollection on this matter was very vague. After the publication of the report in the newspaper on 23 August 2004, he had made enquiries to DP and the accounting firm which prepared the documents but neither of them could provide the relevant information.
- 17.11 Hon James TO further informed the Committee that irrespective of whether he was holding one or 50 shares of TLL, it had always been his understanding that the share(s) did not belong to him. Therefore, whether the board resolution concerned would lead to an increase of his shareholding from one share to 50 shares, it never occurred to him that he needed to follow up, nor did he care at all.

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May 1997. On this issue, Hon James TO stated that he considered the registration should use the date when he took the office as a Member of the LegCo of the first term, i.e., 1 July 97, as a point of reference, so as to let the public know that he should have declared such shareholdings since that date.

The Committee also noted that during the period from May 1997 to 30 June 1997, i.e. from the date on which he acquired the interests to the date he ceased to be a Member of the former LegCo, Hon James TO did not claim any reimbursements from the public coffers for the rental expenses in respect of the property owned by TLL.

As the former LegCo and the LegCo were two constitutionally different bodies, the Committee considered that it did not have the function to handle matters concerning alleged breaches by current Members of the provisions on registration of interests in the Standing Orders whilst they were Members of the former LegCo. Nonetheless, the Committee considered that in dealing with alleged breaches by Members of the provisions on registration of interests in the RoP, it could treat events which happened before 1 July 1997 as background information.



- 17.12 Hon James TO then pointed out to the Committee that as he was holding the TLL shares as a nominee on behalf of the DP, he did not handle any matters relating to the daily operation of the company, but just signed at places where the documents were flagged upon the request of the staff member concerned. By so doing, he considered that he had fulfilled his responsibility as TLL's director.
- 17.13 The Committee noted from the information provided by Hon James TO that TLL signed a Sale and Purchase Agreement on 12 May 1997 to buy a property at Lai Chi Kok Road. On 3 June 1997, TLL signed the Deed of Assignment and became the owner of the property and mortgaged the property with a bank on the same day.
- 17.14 In this connection, the Committee asked Hon James TO whether the total number of shares issued by TLL were two or 100 when undertaking the mortgage; and if it had issued two shares initially and then increased the number of shares to 100, whether the company had the responsibility to notify the bank of such change. On whether the company had increased the number of its shares, Hon James TO replied that his recollection on it was vague. Nevertheless, he pointed out that although the company had increased its shares, as the move did not constitute a substantial change in shareholding, he considered that in accordance with the terms of the mortgage agreement, it was not necessary for the company to notify the bank of such change. He confirmed to the Committee that the mortgage agreement was a standard one, and subsequently provided the Committee with a copy of the agreement.
- 17.15 At the request of the Committee, Hon James TO produced on 7 December 2004 a copy of the resolution (**Appendix 9**) on increasing the number of shares of the company made by the board of TLL. The Committee noted that the resolution was made in writing on 15 May 1997 and signed by Hon James TO and another person. According to paragraph 9 of the first Directors' Report of TLL (**Appendix 14**), the reason for allotting the 98 shares was to raise additional working capital for the company.
- 17.16 At the meeting on 10 December 2004, Hon James TO reiterated to the Committee that when he signed the resolution concerned, he just signed at the place where the document was flagged at the request of the staff member and did not peruse the details of the document. However, he guessed that the reason for allotting additional shares might be related to the fact that DP's Kowloon West Branch wanted to increase the number of trustees, but eventually the proposal was not followed up.

Hon James TO's explanations for his registering the shareholding interests in TLL with YTMDC but not with LegCo

- 17.17 Hon James TO informed the Committee that as he had misunderstood the number of TLL shares he had and given that Note (b) under the item "Shareholdings" in the Registration Form defined shareholdings as personal shareholdings and did not include shareholdings held by a Member in the capacity of a nominee shareholder, he did not register such interests with the Clerk to the LegCo.
- 17.18 He admitted that he was negligent in this respect and considered that he should be held responsible for the negligence. He also apologized to the Committee for his negligence.
- 17.19 As to why he registered his shareholding interests with the YTMDC Secretariat in 2000, 2001, 2002 and 2004, Hon James TO explained that there was such a requirement in the YTMDC Standing Orders, and there was no section exempting the registration of shares held by nominee shareholders. As such, although he held one share of TLL in the capacity of a nominee shareholder only, he still registered such interests pursuant to the requirement. He admitted that he was negligent and should be held responsible for the omission to register such interests with YTMDC in 2003. He proceeded with late registration on 7 September 2004.

Hon James TO's explanations for his renting the property owned by TLL for use as LegCo Member's District Office

- 17.20 Hon James TO told the Committee that during the term of PLC between July 1997 and June 1998 when he opened an office at the property owned by TLL to meet the public in the capacity of a DP member, many members of the public had become aware that his office was located there. When he was elected LegCo Member in July 1998, having regard that DP had already taken root and started its work in the local community, it was natural for him to use the premises as LegCo Member's District Office without thinking of moving out. To tally with DP's strategy for the elections of the second term LegCo, the arrangement lasted until July 2001.

Hon James TO's statements on whether he had participated in the determination of the rent concerned

- 17.21 According to the information kept by the LegCo Secretariat, Hon James TO submitted a monthly claim of \$6,800 to pay for the rent of the sitting room of the property from June 1998<sup>4</sup> to May and July 2001, and \$5,600 in June 2001 (in order that the total amount of reimbursement claims he submitted that month would not exceed the reimbursement ceiling).
- 17.22 When the Committee started asking Hon James TO questions relating to rental, he pointed out to the Committee that it might be unfair to him to ask him, but not other Members who were also alleged to have rented offices at a rental above the market rates, such questions. The Chairman of the Committee explained to him that before meeting him, the Committee had thoroughly deliberated the issue. The Committee had concluded that the purpose of asking such questions was to understand matters related to Hon James TO's late registration of interests, and not to make a judgement on whether the rental level was above the market rate. Hence, it would not be unfair to him. Hon James TO said that he comprehended the conclusion of the Committee.
- 17.23 The Committee noted the lease provided by Hon James TO to the Clerk to the LegCo, which was signed with TLL for renting the premises for use as LegCo Member's District Office and took effect on 1 October 2000. The Committee noted that Hon James TO did not provide to the Clerk to the LegCo the lease for the period before that date. Hon James TO confirmed to the Committee that during the period from June 1998 to September 2000, he did not sign any written lease with TLL because at that time, LegCo Members were not required to submit copies of the written leases concerned when they made claims from the public coffers for reimbursement of rental expenses. The Committee noted that in submitting claims for reimbursements from the public coffers of rental expenses, Hon James TO had submitted the monthly rental receipts issued by TLL for the period.
- 17.24 Hon James TO declared to the Committee that he played no part in the determination of the rental value concerned and did not know how the relevant staff of the Kowloon West Branch of the DP determined it. He himself did not look into the issue about the level of the rental value and did not compare it with that of the property in the vicinity. As he was not

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<sup>4</sup> According to the direction given to the LegCo Secretariat by the Government, LegCo Members could claim for public money to reimburse their rental expenses in June 1998. However, the payment concerned should be deducted from the amount of operating expenses they were entitled to claim for reimbursements in July 1998 and thereafter.

required to pay any rent for the use of the property as his office in the capacity of a DP member before he was returned as a Member of the first term LegCo, he had no historical data for assessing whether the rental value concerned was too high.

- 17.25 Hon James TO supplemented that although the terms of tenancy specified that he rented the sitting room of the property, he actually used the entire property, i.e. one sitting room and two rooms. He often used the rooms in the premises to meet the public. His work equipment, including his personal computer, was placed in one of the rooms. He also pointed out that the premises were a properly furnished office. Hence, Hon James TO considered that the above convenience factor should be taken into account when the issue of rental level was considered.
- 17.26 Hon James TO then provided the Committee with a transcript of an interview (**Appendix 15**) conducted by a local television station on 23 August 2004 with a real estate agency about the rental value between 1998 and 2000 of properties in the vicinity of the size similar to the one he rented. The Committee learnt from the transcript that the monthly rental value of the property was about \$10,000 in 1998 but it dropped to no more than \$7,000 after 2000.
- 17.27 Hon James TO told the Committee that he and the DP had not decided<sup>5</sup> whether to obtain surveyor's valuation report on the market rental value of the property between June 1998 and July 2001 because after making enquiries, DP found that such valuation would cost tens of thousands of dollars.
- 17.28 Hon James TO then told the Committee that when he signed the claim forms for reimbursements of rental expenses prepared by his staff, he had noticed that the monthly rental was \$6,800, and he considered that the level of the rental was not on the high side. Hon James TO stated that if the rental had been set at a level much higher than the market rate, he would have queried when his staff submitted claim forms for reimbursements of rental expenses to him for signature.

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<sup>5</sup> Hon James TO informed the Committee on 21 February 2005 that the DP had hired surveyors to conduct the valuation.

Hon James TO's elucidations on the details of the renting of two rooms of the property by other persons in the relevant periods and their claims from the public coffers in respect of the rental expenses concerned

17.29 The Committee learnt that during the period when Hon James TO had been claiming reimbursements from the public coffers of rental expenses in respect of the sitting room of the property, two other persons also made claims from the public coffers to pay for the rentals for renting two rooms of the property.

17.30 The Committee has made enquiries with Hon James TO and YTMDC in this regard. The information obtained is listed in the following table:

<b>Table 2 The persons who rented the property owned by TLL and made claims from the public coffers in respect of the rental expenses concerned between June 1998 and July 2001</b>					
	Date	Hon James TO (for renting the sitting room)	A Member of YTMDC (for renting one room)	Another Member of YTMDC (for renting another room)	The total amount of claims made by the persons concerned
1	From June 1998 to December 1999 (19 months in total)	A monthly claim of \$6,800	—	—	A monthly claim of \$6,800 (Claims of \$129,200 in total)
2	From January 2000 to May 2001 (17 months in total)	A monthly claim of \$6,800	A monthly claim of \$3,500	A monthly claim of \$3,500	A monthly claim of \$13,800 (Claims of \$234,600 in total)
3	June 2001	A claim of \$5,600	A claim of \$3,500	A claim of \$3,500	A claim of \$12,600
4	July 2001	A claim of \$6,800	A claim of \$3,500	A claim of \$3,500	A claim of \$13,800
					<i>Total amount of claims: \$390,200</i>

17.31 As regards the renting of the two rooms of the property by other persons concurrently and the making claims in respect of the rental expenses concerned from the public coffers, Hon James TO explained to the Committee that in fact, the amount of allowances claimed by them was not excessive. If they had not rented the rooms of the property in question,

they would have to pay more to rent another property and claim more money from the public coffers to cover the rental expenses. As the two rooms were properly furnished and provided with office equipment, the rent they paid for the use of the property should be good value for money.

### **Considerations and conclusions of the Committee**

18. Pursuant to the terms of reference set out in Rule 73(1)(c) and having made reference to the provisions in the Procedure for Handling Complaints (**Appendix 6**) drawn up in July 1999, the Committee considered the case of Hon James TO's failure to register, pursuant to Rule 83 of the RoP, his interests with the Clerk to the LegCo. The Committee noted that:
  - (1) Hon James TO had admitted his late registration of his shareholding interests in TLL when he replied on 26 August 2004 to the Clerk to the LegCo; and
  - (2) he had registered his shareholding interests in TLL, albeit out of time, with the Clerk to the LegCo before the Committee considered the case.
19. Rule 83(5) of RoP provides that "registrable interests" include "the names of companies or other bodies in which the Member has, to his knowledge, either himself or with or on behalf of his spouse or infant children, a beneficial interest in shareholdings of a nominal value greater than one-hundredth of the issued share capital". Given that Hon James TO had acquired shareholding interests in TLL in May 1997, but did not register such interests when he submitted particulars of interests to the Clerk to the LegCo after he was returned as a LegCo Member of the first and second terms, and on the basis of his admission of his late registration, the Committee concluded, after considering carefully Hon James TO's explanations, that the primary fact of his breach of Rule 83 of RoP had been established. On this basis, the Committee decided that in the light of paragraph 8 of the Procedure for Handling Complaints, it was not necessary to conduct an enquiry in order to ascertain that primary fact.
20. Rule 85 of RoP provides that any Member who fails to comply with Rule 83 may be admonished, reprimanded or suspended by the Council on a motion to that effect, and Rule 73(1)(e) provides that one of the terms of reference of the Committee is to report to the Council and make recommendations, including a recommendation as to sanctions under Rule 85. The Committee considered that it should examine whether Hon James TO's omission to register the interests was a deliberate act, so as to

provide a primary basis for a recommendation as to what sanction to be imposed on Hon James TO.

21. Regarding the question whether Hon James TO's omission to register interests was a deliberate act or otherwise,
  - (1) the Committee notes that Hon James TO had registered his shareholding interests in TLL with YTMDC on 27 March 2000, 7 February 2001, 15 March 2002, and 3 February 2004. As information on interests registered by LegCo Members and DC members were accessible to the public, if Hon James TO deliberately omitted to register the interests with the Clerk to the LegCo so as to conceal his shareholding interests in TLL, he should have omitted to register the interests with YTMDC as well. As Hon James TO did register the interests with YTMDC, the Committee accepts that Hon James TO did not deliberately conceal such interests.
  - (2) on the basis of the information provided by Hon James TO, the Committee accepts that when Hon James TO dealt with the affairs of TLL as its director, apart from filling in a form of trust document by himself to declare that the one share of TLL he held was held on behalf of the DP as trustee, he did not actively participate in other matters of the company, such as the administration of the company, its daily operation and the setting of the rental level. According to the declaration he made to the Committee, he had believed that he did not actually hold TLL, he therefore entirely relied on those who handled the party affairs of the DP, the secretarial services company and the accounting firm to handle the affairs of TLL. When the staff members showed him the documents, he never perused but just signed at places where they were flagged. The Committee considers that although Hon James TO's way of handling matters in this respect could be regarded as grossly inadequate and negligent, there is no evidence indicating that he deliberately concealed the interests concerned.
  - (3) the Committee notes that the rules relating to LegCo Members' claims for reimbursements of expenses did not prohibit Members from submitting claims for reimbursement of rental expenses in respect of a property owned by themselves, the political party to which they belonged or the company under their control for use as their LegCo Members' District Offices, nor did they require Members to provide evidence or information showing that the rental of the offices concerned was not higher than the market rate

when they submitted claims for reimbursement of rental expenses. As such, the Committee considers that Hon James TO has not breached any relevant rules of the LegCo by renting the property owned by TLL, the shares of which he believed he had held for the DP as nominee, for use as his LegCo Member's District Office, and claiming reimbursements of rental expenses thereof. The Committee considers that, in the circumstances, there should be no need for Hon James TO to omit registration in order to conceal the interests.

22. The conclusions of the Committee are:

- (1) Hon James TO failed to furnish to the Clerk to the LegCo the particular of a registrable interest, namely the name of TLL, during the period from 1 July 1998 to 25 August 2004, contrary to Rule 83 of RoP.
- (2) based on the analysis set out in paragraph 21, the Committee considers that there is no evidence which indicates that Hon James TO deliberately omitted to register his interests.
- (3) in handling cases of late registration of interests, the former Committee did not recommend sanctions against the Members concerned on the basis that no conflict of interests was involved. However, the Committee considers that as the interests registered out of time by Hon James TO involved claims from the public coffers (i.e. he rented the property owned by TLL, in which he was holding shares, for use as his LegCo Member's District Office as a LegCo Member, and claimed reimbursements from the public coffers for the rental expenses concerned), this case is materially different from the previous cases. Although the way and attitude in which Hon James TO handled matters of TLL is not within the Committee's terms of reference, the Committee considers that, as a LegCo Member and in order to comply with Rule 83 of RoP, he had a duty to clarify and ascertain the number of shares of TLL held by him and the capacity in which he was holding such shares (beneficial owner or nominee), especially because he made claims from the public coffers for renting the property owned by TLL. The Committee considers that Hon James TO failed to prudently discharge such a duty, which falls short of the standards expected of a Member in handling such matters by members of the public, hence there is a need to recommend sanction in this case.



### **Recommendation of the Committee**

23. On the basis of the considerations and conclusions set out in paragraphs 18 to 22 above, in accordance with Rules 73(1)(e) and 85 of the RoP, the Committee recommends that Hon James TO be sanctioned by admonishment on a motion to that effect.

## **CHAPTER 4**

### **THE CASE OF UNION PACE DEVELOPMENT LIMITED**

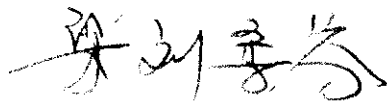
#### **The report by Hon James TO**

24. On 2 November 2004, Hon James TO of his own volition reported to the Committee that during his term of office as Member of the LegCo of the last term, he was negligent in omitting to register his shareholding interests in UPDL. He held about 7% of the shares of UPDL. He explained that the only asset the company held was a village house and it did not actively participate in commercial activities. He registered such interests with YTMDC in 2001, 2002 and 2004. He believed that the need to process some documents relating to UPDL at that time had prompted him to register such interests with YTMDC.

#### **Considerations and conclusion of the Committee**

25. The Committee notes that Hon James TO did register such interests with YTMDC and had also registered such interests with the Clerk to the LegCo in this term. The Committee considers that this omission did not involve any claims from the public coffers, conflict of interests, or other factors which will make it accept that it should take an approach different from the way similar cases were handled by the Committee of the first term LegCo. Hence, the Committee decides that there is no need to take further action in respect of this case.

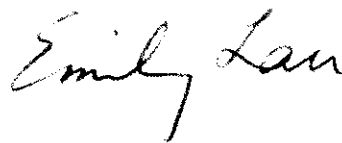
議員個人利益監察委員會主席、副主席及各委員署名  
Signatures of the Chairman, Deputy Chairman and Members of the  
Committee on Members' Interests



梁劉柔芬 Mrs Sophie LEUNG  
(主席 Chairman)



單仲偕議員 SIN Chung-kai  
(副主席 Deputy Chairman)



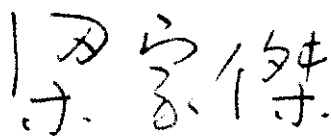
劉慧卿議員 Emily LAU Wai-hing



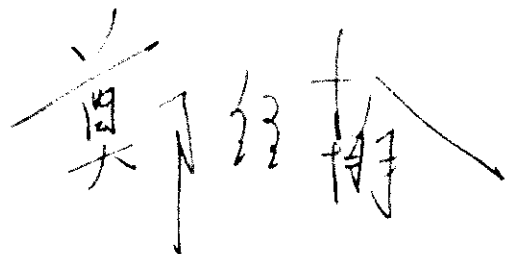
石禮謙議員 Abraham SHEK Lai-him



李國英議員 LI Kwok-ying



梁家傑議員 Alan LEONG Kah-kit



鄭經翰議員 Albert Jinghan CHENG

2005年2月23日

23 February 2005



The Office of Hon James To Kun Sun  
Member of the Legislative Council

Room 601, Citibank Tower,  
3 Garden Road, Central, Hong Kong  
Tel: 2509 3119 Fax: 2501 0724

立法會議員 涂謹申

香港中環花園道1號  
英國實業銀行大廈601室  
電話：2509 3119 傳真：2501 0724

香港中區皇后大道中8號  
立法會大樓  
立法會秘書處  
馮載祥秘書長

馮秘書長：

### 議員個人利益登記表格

本人收到秘書處 8 月 23 日的來函，現就有關問題回覆如下：

- 一、有關匯標有限公司 Target Link Ltd. (一間物業持股公司) 股權持有人一事，本人一向以為該公司只發行了兩股，由本人與另一民主黨員吳永輝各擁有佔 50% 的一股，而當時本人亦以信託形式把自己擁有佔 50% 的一股轉贈予民主黨。

根據申報表格中「股份」一項的備註(b)：

- \* 「股份」的定義是指個人持有的股份，並不包括議員以代名人身份持有的股份。

及根據備註(c)：

- \* 議員有責任登記據他所知屬於這類別的利益。

據本人以往所知及理解，一向認為自己只是以「代名人」身分持有該 50% 的一股的匯標股份，而非實質持有該股份。加上本人亦非該公司的受薪董事，沒有得到任何實質利益，基於上述原因，本人因此沒有就有關的股份持有向立法會作出申報。

直到後來知悉該公司已發行股份數目為 100 股，本人持有 50%，應為 50 股。把一股轉贈民主黨後，本人仍持有 49 股，超過了百分之十以上持股量需要向立法會申報的規定。

基於上述的誤解，本人希望為持有該公司的股份向立法會作後補申報，現附上有關申報表格。

二、本人並無持有上述公司的控制權或超過百分之五十的股份。



涂謹申

2004年8月26日

附件：議員個人利益登記表格

須予登記的個人利益

股份

8. 你(本人或連同配偶或未成年子女，或本人代表配偶或未成年子女)是否持有  
任何公共或私營公司面值超過已發行股本百分之一的股份？

有 /  否

若有的話，請列出每間公司的名稱，並說明其業務性質。

匯標有限公司 TARGET LINK LTD.

(a property holding company)

(自從 98 年 7 月 1 日已持有)

註：(a) 無須登記持有股份的數量或價值。

(b) 「股份」的定義是指個人持有的股份，並不包括議員以代名人身份持有的股份。

(c) 議員有責任登記據他所知屬於這類別的利益。

(d) 議員配偶的股份無須登記。除非議員知道配偶持有股份，而股份是議員連同其配偶或代表其配偶持有的。這項指引同樣適用於議員未成年子女的股份。

簽署：



日期：

25-8-2004



中華人民共和國香港特別行政區  
Hong Kong Special Administrative Region of the People's Republic of China

立法會秘書處  
LEGISLATIVE COUNCIL SECRETARIAT

來函編號 CORRESPONDENCE NO. CB(3)/C/1 (IV)  
來函編號 CORRESPONDENCE NO. CB(3)/C/1 (IV)  
電話 TELEPHONE (852) 2869 9203  
圖文傳真 FACSIMILE (852) 2877 9600



附錄 3  
Appendix 3

傳真急件：2501 0724

涂謹申議員  
香港中環花園道 3 號  
花旗銀行大廈 601 室

涂議員：

### 議員個人利益登記

謝謝你 8 月 26 日的來信。

我已把你遞交的利益登記表格第 8 頁登錄於《議員個人利益登記冊》以及立法會的網頁內。

關於你未有按照《議事規則》第 83 條適時提供須予登記的個人利益詳情一事，秘書處會在新一屆立法會議員個人利益監察委員會產生後，向委員會主席提交報告，以便委員會考慮應如何跟進。

立法會秘書

(馮載祥)

2004 年 8 月 27 日

**The Third Legislative Council**  
**Committee on Members' Interests**

**Membership List**

<b>Chairman</b>	Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
<b>Deputy Chairman</b>	Hon SIN Chung-kai, JP
<b>Members</b>	Hon Emily LAU Wai-hing, JP
	Hon Abraham SHEK Lai-him, JP
	Hon LI Kwok-ying, MH
	Hon Alan LEONG Kah-kit, SC
	Hon Albert Jinghan CHENG
<b>Clerk</b>	Mrs Betty LEUNG
<b>Legal Adviser</b>	Mr LEE Yu-sung



**The Third Legislative Council**  
**Committee on Members' Interests**

**Terms of Reference**

- (a) to examine the arrangements made for the compilation, maintenance and accessibility of the Register of Members' Interests;
- (b) to consider any proposals made by Members or others as to the form and contents of the Register;
- (c) to consider and investigate any complaint made in relation to the registration and declaration of Members' interests or any complaint of a failure to do so;
- (d) to consider matters of ethics in relation to the conduct of Members in their capacity as such, and to give advice and issue guidelines on such matters;
- (e) to report to the Council and make recommendations, including a recommendation as to a sanction under Rule 85 (Sanctions relating to Interests).

**THE PROCEDURE OF  
THE COMMITTEE ON MEMBERS' INTERESTS  
FOR HANDLING COMPLAINTS RECEIVED  
IN RELATION TO THE REGISTRATION AND DECLARATION  
OF MEMBERS' INTERESTS**

**July 1999**

**The procedure of the Committee on Members' Interests  
for handling complaints received  
in relation to the registration and declaration of Members' interests**

**Convening the first meeting**

- (1) Upon receipt of a written complaint by the Committee on Members' Interests (the Committee) from a Member or a member of the public (hereafter referred to as "the complainant") about the registration or declaration of interests of a Member (hereafter referred to as "the Member under complaint"), the Clerk to the Committee (the Clerk) shall forthwith contact and verify the identity of the complainant. The Clerk shall then distribute the complaint in the form of a confidential document to members of the Committee (the members) and he shall ask the Chairman of the Committee (the Chairman) to decide within two working days whether a meeting on the matter should be held (in the event of the absence of the Chairman from Hong Kong or the Member under complaint being the Chairman, the Clerk shall seek instruction from the Deputy Chairman; the same principle shall apply in subsequent paragraphs). If the Chairman or the Clerk receives a complaint by an anonymous or unidentifiable person or by a person who cannot be contacted, the Chairman shall instruct the Clerk to circulate the complaint to other members in the form of a confidential document for information. However, the Committee will not consider the complaint.
- (2) In deciding whether a meeting should be held to consider the complaint received, the Chairman may decide not to hold such a meeting for the following reasons:
  - (a) the complaint is not related to the registration and declaration of Members' interests;
  - (b) the complaint is merely based on speculations, inferences or unfounded judgements;
  - (c) the complaint is made by an anonymous or unidentifiable person or by a person who cannot be contacted; or
  - (d) other reasons he deems appropriate.
- (3) If the Chairman decides that the Committee should meet, he shall instruct the Clerk to arrange for the first meeting to be held within the next seven working days to consider the complaint.

- (4) If the Chairman decides not to hold such a meeting and conveys to the Clerk his decision as well his reasons for making such a decision, the Clerk shall inform other members of the Chairman's decision and his reasons. If any member indicates disagreement with the decision in writing, the Clerk shall, by way of a circular, ask the members to forward replies to him within three working days on whether a meeting should be held to consider the complaint. In the event that the Clerk receives replies in which the majority of members indicate their support for holding a meeting, he shall ask the Chairman to fix the date, the time and the venue for the meeting. The first meeting shall be held within the next seven working days.
- (5) If the Chairman makes a decision of not holding a meeting and the Clerk does not receive replies from a majority of members indicating disagreement with this decision after the expiry of the three-day deadline since the issue of the circular, the Committee will not take any further action on the complaint.

#### **Preliminary consideration**

- (6) The Committee may hold a meeting or a series of meetings to consider the complaint.
- (7) The purposes of such meetings are:
- (i) To ascertain the subject of the complaint and the provisions of the Rules of Procedure relevant to the allegations in question; and
  - (ii) To gather information relevant to the complaint and the allegations in question, such as the dates, amounts of money (if any), persons involved, etc. Such information should not include media reports, information provided by anonymous persons and speculations, inferences or judgements made by individuals.
- (8) The Committee may invite the complainant to attend a meeting to provide information. The Committee may also invite the Member under complaint to attend the meeting to give explanations and to provide information. If the Member under complaint admits all the allegations at this stage, and the Committee is of the opinion that it is able to determine whether the complaint is substantiated and decides that an enquiry is not necessary, the Committee shall report to the Council and make a recommendation as to a sanction to be imposed on the Member under complaint.
- (9) The Committee may decide not to proceed with an investigation if it is of the opinion that the complaint is not substantiated.

### **Investigation**

- (10) If the Committee decides to conduct an investigation into the complaint, the Committee shall instruct the Clerk to convey the decision to the complainant and the Member under complaint and to provide the Member under complaint with information received in relation to the complaint.
- (11) In the course of conducting an enquiry, the Committee may, in accordance with section 9(1) of the Legislative Council (Powers and Privileges) Ordinance (Cap. 382), order any person to attend before the Committee and to give evidence or to produce any paper, book, record or document in the possession or under the control of such person. The Committee may cause witnesses to be examined at a meeting upon oath. The Committee may ask the complainant, the Member under complaint and other persons to confirm upon oath the information and statements they have provided at previous meetings.
- (12) The Member under complaint shall have the right to give explanations, make clarification and provide information on the subject of the complaints and the related matters.

### **The Committee's decision as to whether a complaint is substantiated**

- (13) If the Committee decides that there is sufficient evidence to show and substantiate that the Member under complaint has provided false information in registering and declaring interests or has failed to register or declare registrable or declarable interests, it shall inform the complainant and the Member under complaint of its decision that the complaint is substantiated.
- (14) Upon receipt of the Committee's notification of its decision that the complaint is substantiated, the Member under complaint may make a request in writing to the Committee for a review of the decision within the next seven working days, and he may submit written statements and provide any other information which is unavailable at hearings held earlier. Upon receipt of the written request for a review of the Committee's decision from the Member under complaint, the Chairman shall instruct the Clerk to arrange for a meeting to be held for such purpose within the next seven working days to hear the explanation made by the Member under complaint and to review its earlier decision.

- (15) If the Committee is of the opinion that the complaint is substantiated, or it is still of the opinion after the review that the complaint is substantiated, the Committee shall present a report to the Council on the complaint, in which the evidence and its opinion should be set out. The Committee may also make a recommendation to the Council as to a sanction to be imposed on the Member concerned under Rule 85 of the Rules of Procedure.
- (16) If the Committee is of the opinion that the complaint is not substantiated, it shall convey the decision to the complainant and the Member under complaint. The Committee may decide whether it should submit a report on this to the Council. If the Committee decides not to submit a report on this to the Council, members or any other person must not disclose any information regarding the complaint, except the evidence taken before the Committee and documents presented to it during meetings of the Committee held in public.

#### **Confidentiality Requirement**

- (17) The evidence taken before the Committee and documents presented to it, or its deliberations and decisions, shall not, except in the case of meetings of the Committee held in public, be disclosed by a member or by any other person before the Committee has presented its investigation report to the Council. Any member who fails to comply with this requirement may be admonished or reprimanded by the Council on a motion to that effect.
- (18) Meetings of the Committee, including those at which hearings are conducted, shall be held in camera. However, hearings shall be conducted at meetings held in public if the Member under complaint makes such a request.
- (19) The transcript of evidence taken at such hearings shall be published in full as far as possible and form part of the report of the Committee.

#### **Participation of members in the deliberations of the Committee**

- (20) No member of the Committee shall participate as a member of the Committee in the handling of a complaint or in the meetings of the Committee to deliberate on or inquire into a complaint where the complaint was made by or against him.

COMPANIES ORDINANCE ( Chapter 32 )

*Appointment of first directors*

Pursuant to section 158(5)

Company number

600002

Name of Company

TARGET LINK LIMITED

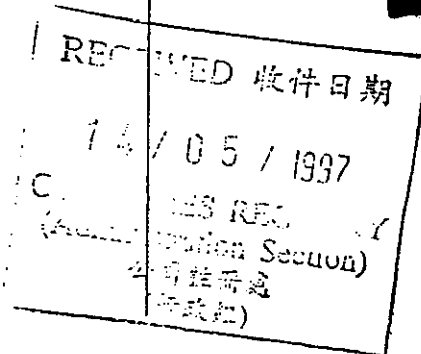
WE, the undersigned, being all of the subscribers to the Memorandum and Articles of Association of the above named company do hereby appoint as the first directors thereof persons who have attained the age of 18 years and consented to act as such by signing against their names set out below.

Names of Directors

TO Kun Sun, James



Signatures



Names of Subscribers

VICTON SECRETARY LIMITED

VICTON MANAGEMENT LIMITED

Signatures

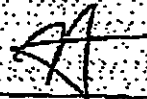
For and on behalf of  
VICTON SECRETARY LIMITED

Authorized Signature

For and on behalf of  
VICTON MANAGEMENT LIMITED

Authorized Signature

I, TO KUN SUN JAMES, hereby declare that the  
One share held by me in TARGET LINK LTD stand trust for  
THE DEMOCRATIC PARTY.



TO KUN SUN JAMES

Dated



Company Number: 600002

TARGET LINK LIMITED

WRITTEN RESOLUTION OF THE BOARD OF DIRECTORS OF THE COMPANY

Pursuant to the authority given by the Company's Articles of Association, we, the undersigned, being all the Directors of the Company for the time being, hereby:

*Allotment of New Shares*

NOTE THAT application by the following allottees for allotment of the following shares in the capital of the Company as fully paid up at par and to rank pari passu with all existing issued shares be tabled.

RESOLVE THAT the said applications for allotment be approved, and THAT new share certificates be issued under the Common Seal of the Company to the respective applicants and THAT the relevant return of allotments be filed with the Companies Registry:-

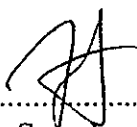
Names

No. of Shares

TO Kun Sun, James  


49  

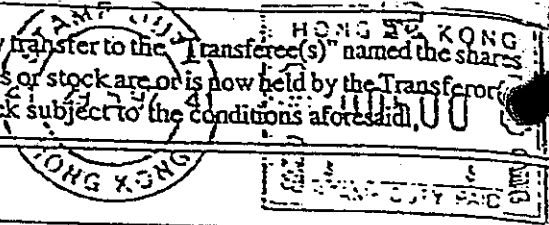

Dated this 15th day May 1997



.....  
TO Kun Sun, James  
Director

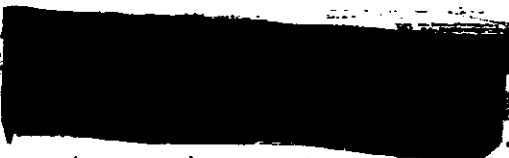


FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the shares or stock specified below subject to the several conditions on which the said shares or stock are or is now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said shares or stock subject to the conditions aforesaid.



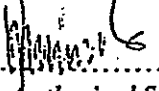
**TARGET LINK LIMITED**

附錄 10  
Appendix 10

Number and full description of shares; or amount of stock and number and denomination of units, if any	FIGURES 1	WORDS ONE	
Certificate Number			
<b>TRANSFER FROM TRANSFEROR(S)</b> name(s) and address(es) in full. <small>(PREFERABLY TYPE-WRITTEN OR IN BLOCK CAPITALS)</small>	Name(s)..... <b>VICTON SECRETARY LIMITED</b> Address(es)..... Rm. 502-3 Commercial House, 35 Queen's Road Central, Hong Kong.		
CONSIDERATION			
<b>TRANSFER TO TRANSFEE(S)</b> name(s) and address(es) in full and, in the case of females, spinster, e.g. Spinster. <small>(PREFERABLE TYPE-WRITTEN OR IN BLOCK CAPITALS)</small>	Name(s)..... TO Kun Sun, James Address(es)..... 		
OCCUPATION OF TRANSFEE	Solicitor	Nationality	British

SIGNED, SEALED and DELIVERED by the parties to this transfer this 29th day of May One thousand nine hundred and 97.

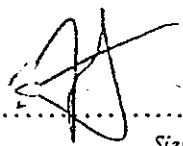
in the presence of SIGNATURE OF WITNESS }  
Address..... Rm. 502-3 Commercial House,  
35 Queen's Road Central, Hong Kong.  
Description..... Secretary

For and on behalf of  
**VICTON SECRETARY LIMITED**  
  
Authorized Signature  
Signature of Transferor

CERTIFIED TRUE COPY

in the presence of SIGNATURE OF WITNESS }  
Address.....  
Description.....

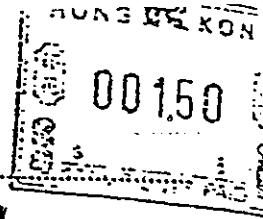
Pe Kam Man  
Certified Public Accountant  
Room 2302, 23rd Floor,  
GRE Building,  
303 Hennessy Road,  
Wanchai, Hong Kong.

  
Signature of Transferee  
TO Kun Sun, James

In the case of Chinese transferees, their names should be given both in English and in Chinese characters  
寫填文英中用須名姓人受承人華

FOR OFFICE	Transfer Receipt Number	Old Certificate Number	Advice of Transfer Sum
------------	-------------------------	------------------------	------------------------

SOLD NOTE



Name of Purchaser (Transferee): TO Kun Sun, James

Address: [Redacted]

Occupation: Solicitor

Name of Company in which the shares to be transferred:

TARGET LINK LIMITED

Number of Shares: One of HK\$ 1.00 each

Consideration Received: Hong Kong Dollars One Only

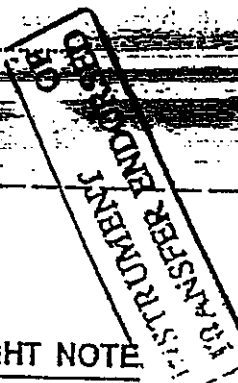
(HK\$ 1.00 )

For and on behalf of  
VICTON SECRETARY LIMITED

Authorized Signature(s)

(Transferor)

Hong Kong Dated 29th May 1997



BOUGHT NOTE

Name of Seller (Transferor): VICTON SECRETARY LIMITED

Address: Rm. 502-3 Commercial House, 35 Queen's Road C., Central, Hong Kong.

Occupation: Corporation

Name of Company in which the shares to be transferred:

TARGET LINK LIMITED

Number of Shares: One of HK\$ 1.00 each

Consideration Paid: Hong Kong Dollars One Only

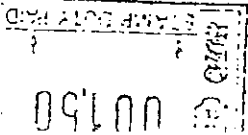
CERTIFIED TRUE COPY (HK\$ 1.00 )

Po Kam Man  
Certified Public Accountant  
Room 2302, 23rd Floor,  
Raffles Building,  
303 Hennessy Road,  
Wanchai, Hong Kong.

[Signature]

(Transferee)

TO Kun Sun, James



租 單

No. ....

其餘水電清費及衛生局須修理者概由住客負責理妥

該租銀 拾萬六千八百拾元差餉在

謹申 謹收 茲收到  
 黃先生 黃先生  
 由 98年6月1日起至6月30日止  
 道街 號 樓 座  
 大廳

- 一、租銀訂明每月上期清交不得延遲俱收香港通用銀紙
- 二、如欲搬遷必須依租期預先一個月用書函通知否則要補交一個月租銀以符港例
- 三、未經本業主許可不得擅將該樓字轉頂及分租與別人否則有權將該樓收回
- 四、如欲改革該樓字者須得本業主書面許可方能動工同時須交出相當按金以資保障否則本業主有權將樓收回
- 五、搬遷時如有入牆裝修不得拆去並須應照原樣修補如有損壞者須照原樣修補
- 六、租賃本業主樓宇不得窩娼聚賭以及一切非法行為
- 七、此租單須經收租人簽名及蓋章方為有效
- 八、屋內外所有水喉洋磁水廁水箱面盤等一切器具如有損壞者須由租客負責賠償整妥

經手收銀人

98年 6月 1日

發單 簽章

CHECKED 9 JAN 2001

## Annual Return

## 周年申報表

(Schedule 1 附表一)

(Page 1 of 1)

Companies Registry  
公司註冊處

Date of Return 本申報表日期

DD 日	MM 月	YYYY 年
19	03	1998

Company Number 公司編號

600002

Details of Members 成員詳情

(See Section 7 of the main form for details of any change to the structure of the Company's Share Capital since the date of the last Return)

(關於由上一份申報表日期以來公司股本結構的任何變動詳情，請參閱表格第 7 項)

Share Class 股份類別 Ordinary

Name 姓名	Address 地址	Shares 股份			Remarks 備註
		Current Holding 現時持有量	Transferred 轉讓		
			Number 數目	Date 日期	
VICTON SECRETARY LIMITED	Room 502-3, Commercial House, 35 Queen's Road Central, Hong Kong	0	1	29/05/1997	
VICTON MANAGEMENT LIMITED	Room 502-3, Commercial House, 35 Queen's Road Central, Hong Kong	0	1	29/05/1997	
TO Kun Sun, James 涂謹申		50			
Total 總數		100			

Notes 註：

- The total shares in the 'Current Holding' for each class of share must agree with the total for that class in Section 7 of the Return.  
每類別股份的「現時持有量」總數必須與申報表第 7 項所填該類別的總數相符。
- The number of shares transferred since the last Return should be shown for each existing or ex-member.  
應說明每名現任成員或前任成員由上次申報以來所轉讓的股份數目。

**MEMORANDUM**  
AND  
**ARTICLES OF ASSOCIATION**  
OF

**TARGET LINK LIMITED**  
滙標有限公司

\_\_\_\_\_

Incorporated the 19th day of March 1997.

\_\_\_\_\_

**HONG KONG**

*Printed By Victon Registrations Limited Tel: 2845 0884 (3 Lines)*

No. 600002

[ COPY ]

**COMPANIES ORDINANCE**  
**(CHAPTER 32)**  
**CERTIFICATE OF INCORPORATION**

**CERTIFIED TRUE COPY**

I hereby certify that

**TARGET LINK LIMITED**  
滙標有限公司

*Miss H. Chang*  
Po Kam Man  
Certified Public Accountant  
21st Floor, CRE Building,  
303 Hennessy Road,  
Wanchai,  
Hong Kong.

is this day incorporated in Hong Kong under the Companies Ordinance, and that  
this company is limited

Issued by the undersigned on 19 March 1997.

(Sd.) MISS H. CHANG

for Registrar of Companies  
Hong Kong

THE COMPANIES ORDINANCE (CHAPTER 32)

---

*Private Company Limited by Shares*

---

**MEMORANDUM OF ASSOCIATION**

**OF**

**TARGET LINK LIMITED**

滙標有限公司

---

*FIRST:*— The name of the Company is **TARGET LINK LIMITED 滙標有限公司**

*SECOND:*— The Registered Office of the Company will be situate in Hong Kong.

*THIRD:*— The objects for which the Company is established are:—

- 1 To establish and carry on all or any of the business of importers, exporters, agents, distributors, manufacturers, warehousemen, merchants, commission agents, contractors, store-keepers, carriers, manufacturers, representatives, commercial, industrial, financial and general agents, brokers, advisers and representatives, forwarding agents and traders both wholesale and retail or otherwise deal in goods produce, raw materials, articles and merchandise in all its branches, and to create, manufacture, produce, import, export, buy, sell, barter, exchange, make advances upon or otherwise deal in goods, produce, commodities and merchandise of all kinds.
- 2 To invest in, hold, sell and deal with the stock, shares, bonds, debentures, debenture stock, obligations, notes and securities of any government, state, company, corporation or other body or authority; and to raise and borrow money by the issue of shares, stock, debentures, debenture stock, howsoever created and to underwrite any such issue.
- 3 To invest and deal with the moneys of the Company not immediately required in such manner as from time to time be determined and to hold, sell or otherwise deal with any investments made.
- 4 To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- 5 To receive valuables or money on deposit with or without allowance or interest thereon.
- 6 To undertake and execute any trusts the undertaking whereof may seem desirable and also to undertake the office of executor, administrator, treasurer or register and to keep for any company, government, authority, or body any register relating to any stocks, funds, shares or securities or to undertake any duties in relation to the registration of transfers, the issue of certificates or otherwise.
- 7 To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, use in connection with the Company's business or any part thereof, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company, both real and personal.

— 1 —

- 8 To purchase or by any other means acquire and take options over any freehold, leasehold of other real or personal property for any estate or interest whatever, and any rights or privileges of any kind over or in respect of any real or personal property, and to carry on all or any of the business usually carried on by land companies, land investment companies, land and building mortgage companies and building and estate companies in their several branches.
- 9 To establish, construct, demolish, resite, rebuild, alter, furnish, improve, maintain, develop, manage, work, control, carry out, and superintend bonded warehouses, warehouses, godowns, stores, shops, dairies, offices, block of flats or offices, flats, houses, roads, hotels, clubs, restaurants, factories, works, places of amusement, buildings, and other works and conveniences of all kinds which may seem calculated directly or indirectly to advance the Company's interests or conducive to the objects of the Company, and to contribute or otherwise assist or take part in the construction, maintenance, development, management, carrying out, working, control and superintendence thereof.
- 10 To carry on all or any of the businesses of general contractors, engineering contractors, civil engineers, site formation and plant layout advisers and consultants (whether civil, mechanical, electrical, structural, chemical, aeronautical, marine or otherwise).
- 11 To act as trustees or nominees of individuals or clubs or associations or companies whether incorporated or not.
- 12 To act as directors, accountants, secretaries and register of companies incorporated by law or societies or organisations whether incorporated or not.
- 13 To manage, supervise, control or take part in the management, supervision or control of the business or operations of any company or undertaking and for that purpose to appoint and remunerate any directors, accountants, solicitors or other experts or agents.
- 14 To act as financial advisers and to facilitate and encourage the creation, issue or conversion of and to offer for public subscription debentures, debenture stock, bonds, obligations, shares, stocks and securities and to act as trustees in connection with any such securities and to establish or to promote or to concur in establishing or promoting any company, association, undertaking or public or private body.
- 15 To provide or undertake any other service or facility whether of the kind mentioned above or otherwise which, in the opinion of the Directors, the Company can provide or undertake in the furtherance of its business.
- 16 To act as agents or managers for any insurance companies, clubs or associations or for any individual underwriters in connection with its or his or their insurance or underwriting business (wherever the same may be carried on) or any branch of the same.
- 17 To insure with any company or person against losses, damages, risks and liabilities of all kinds which may affect this Company and to act as agents and brokers for placing insurance risks of all kinds in all its branches.
- 18 To subscribe for, register, take, purchase, or otherwise acquire and hold and to sell, exchange, deal in and otherwise dispose of shares or other interests in or securities of any other company whether having objects similar to or different from those of the Company or carrying on any business capable of being carried on so as directly or indirectly to benefit the Company or enhance the value of any of its property and to co-ordinate, finance and manage the business and operations of any company in which the Company holds any such interest.
- 19 To amalgamate with any other company, whose business can conveniently be carried on in association with the business of the Company, whether by sale or purchase (for fully or partly-paid shares or otherwise) of the undertaking, subject to the liabilities of the Company or any such other company as aforesaid with or without winding up or by purchase (for fully or partly-paid shares or otherwise) of all or a controlling interest in the share or stock of any such other company, or in any other manner.
- 20 To enter into partnership or any arrangement for sharing profits, union of interests or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of the Company, or calculated to advance its interests, and to acquire and hold shares, stock or securities of any such company.
- 21 To carry on the business of garage, service-station or filling-station proprietors, licencees or operators; or as vehicle manufacturers, assemblers, finishers or repairers; as dealers in oil, petroleum products or motor accessories of all kinds;



or as motor, mechanical or electrical engineers.

- 22 To carry on all or any of the businesses of travel agents, ticket and booking agents, charter-flight travel contractors, and to facilitate tours and travel and to arrange hotel and accommodation booking and travellers-cheque and credit-card facilities and other facilities for tourists and travellers and to engage in all aspects of the travel and tourist industry.
- 23 To purchase or otherwise acquire and to carry on the business or businesses of ship owners, stevedores, wharfingers, carriers, forwarding agents, storage keepers, warehousemen, ship builders, dry-dock keepers, marine engineers, engineers, ship keepers, boat builders, ship and boat repairers, outfitters, brokers and agents, salvors, wreck raisers, divers, auctioneers, valuers and assessors.
- 24 To carry on all or any of the businesses of proprietors or licencees of restaurants, refreshment and tea rooms, hotels, bars for the sale of liquor, clubs, dance halls, cafes and milk and snack bars, and as caterers and contractors, in all their respective branches.
- 25 To carry on all or any of the businesses of knitters, weavers, spinners and manufacturers of and dealers in yarns, fabrics, make-ups or other types of textile products made from cotton, wool, silk, rayon, synthetic fibres, artificial silk, flax, hemp, linen, jute or other fibrous substances, bleachers, dyers, printers and finishers of the said products and substances, and makers of vitriol, bleaching and dyeing materials.
- 26 To carry on all or any of the business of costumiers and tailors, makers of underwear, shirt, singlet, nightwear, sportswear, or other kind of garments, makers of mantle, coat, jacket, doublet, waist-coat, robes or other sort of dress, corset, lingerie and brassiere makers, trimmings and lace makers, embroiderers, haberdashers and milliners, gloves, hosiers, makers of towels and napkins, makers of table-cover and table-cloth, furriers, and manufacturers of and dealers in any kind of textile make-up products.
- 27 To carry on all or any of the business of manufacturers, exporters, importers, repairers, designers, wholesalers, retailers, suppliers and agents of, and dealers in mechanical, electronic and electrical watches, clocks, timepieces and chronological instruments of all kinds and descriptions and all components parts and accessories thereof.
- 28 To carry on the business of manufacturers of, suppliers, repairers, programmers, advisers and dealers in electricals, electronics, computers, microcomputers, hardwares, softwares, accessories, motors, office and industrial appliances and equipments, and toys of all descriptions.
- 29 To manufacture plastic goods, articles and any other products in which some plastic parts are incorporated, and to make moulds, dies, tools and machinery for the production of plastic goods.
- 30 To build, establish, maintain, operate and own factories of all kinds.
- 31 To apply for, promote, and obtain Licence of any Government department or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- 32 To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in Hong Kong or elsewhere, any patents, patent rights, brevets d'inventions, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
- 33 To enter into any arrangements with any Governments or authorities (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such Government or authority any charters, decrees, rights, privileges and concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.
- 34 To acquire mines, mining rights, quarries and mineral lands, timber and forestry estates and property and land of every description developed or intended to be developed for the production of raw materials, crops, animal products or agricultural products anywhere throughout the whole world and any interest or concession therein and to explore, work,

exercise, develop and turn the same to account.

- 35 To carry on business as dealers in, and producers, whether as farmers, market gardeners or processors, of fish, dairy farm, and garden produce of all kinds, including milk, cream, butter, cheese, poultry, eggs, fruit and vegetables.
- 36 To carry on all or any of the businesses of packing, general warehousemen, godown and ice cold storage operators.
- 37 To carry on the business of a transportation company by means of vehicles of whatever kind and howsoever propelled for the carriage of passengers, animals, fish, food-stuffs and goods of whatsoever kind and description.
- 38 To carry on business as jewellers, gold and silver smiths, gem merchants, watch and clock makers, electro-platers, dressing-bag makers, importers and exporters of bullion, and to buy, sell and deal in (wholesale and retail) diamonds, precious stones, jewellery, watches, clocks, gold and silver plates, electro-plates, cutlery, bronzes, articles of virtue, objects of art, and such other articles and goods as the Company may consider capable of being conveniently dealt in in relation to its business and to manufacture and to establish factories for manufacturing goods for the above businesses.
- 39 To carry on all or any of the businesses of publishers, stationers, type-founders, book-binders, printers, photographers, film-processors, cine-film producers, and cartographers and to do all things necessary or convenient for carrying out such businesses or businesses of a character similar or analogous to the foregoing or any of them or connected herewith.
- 40 To establish, found, operate, own, support, or aid in the establishment, founding, operating, owning and supporting of schools, colleges, institutions or other educational establishments of whatsoever kind connected with or incidental to the promotion of any form of education, learning, cultural activity, sport or past-time amongst members of the public.
- 41 To borrow and raise money in such manner as the Company shall think fit and to secure the repayment of any money borrowed, raised, or owing, by mortgage, charge, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- 42 To lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds other than those in the nature of insurance business, to become security for any persons, firms or companies and to receive money, stocks, bonds, certificates, securities, deeds and property on deposit or for safe custody or management.
- 43 To Guarantee or otherwise support or secure, either with or without the Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or part of the undertaking, property, assets, and rights (present and future) and uncalled capital of the Company or by both such method or by any other means whatsoever, the liabilities and obligations of and the payment of any moneys whatsoever (including but not limited to capital, principal, premiums, interest, dividends, costs and expenses on any stocks, shares or securities) by any person, firm or company whatsoever including but not limited to any company which is for the time being the holding company or a subsidiary (both as defined by Section 2 of the Companies Ordinance ( Cap. 32) of the Company or of the Company's holding company or is otherwise associated with the Company in its business), and to act as agents for the collection, receipt or payment of money, and to enter into any contract of indemnity or suretyship (but not in respect of fire, life and marine insurance business).
- 44 To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above objects, or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property.
- 45 To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.
- 46 To procure the Company to be registered or recognized in any part of the world and to do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise and by or through

agents or otherwise and either alone or in conjunction with others.

- 47 To enter into any arrangements for profit-sharing with any of the directors or employees of the Company or of any company in which the company may for the time being hold a share or shares (subject to the consent and approval of such company) and to grant sums by way of bonus or allowance to any such directors or employees or their dependents or connections, and to establish or support, or aid in the establishment and support of, provident and gratuity funds, associations, institutions, schools or conveniences calculated to benefit directors or employees of the company or its predecessors in business or any companies in which the company owns a share or shares or the dependents or connections of such persons, and to grant pensions and make payments towards insurance.
- 48 To support and subscribe to any charitable or public object, and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid to any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or of any company which is a subsidiary or associated company of the Company or the holding company of the Company or of the predecessors in business of the Company or of any such subsidiary associated or holding company and to the wives, widows, children and other relatives and dependants of such persons; to make payments toward insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary or holding company and to lend money to any such employees or to trustees on their behalf to enable any such share purchase schemes to be established or maintained.
- 49 To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- 50 To distribute among the Members of the Company in kind any property of the Company of any kind.
- 51 To remunerate any person, firm or company rendering services to this Company either by cash payment or by the allotment to him or them of Shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- 52 To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any Shares or other securities of the Company and to accept stock or shares in, or the debentures, mortgage debentures, or other securities of any other company in payment or part payment for any services rendered, or for any sale made to, or debt owing from, any such company.
- 53 To purchase, rent, take on lease or in exchange, hire or otherwise acquire land and buildings and any estate or interest therein and any rights or privileges connected therewith and to purchase for investment, development or resale, and to traffic in land and house and other property of any tenure and any interest therein, and to create, sell, and deal in freehold and leasehold ground rents, and to make advances upon the security of land or house or other property, or any interest therein, and generally to deal in, traffic by way of sale, lease, exchange, or otherwise with land and house property and any other property whether real or personal.

The objects set forth in each sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have as full a power to exercise all or any of the objects conferred by and provided in each of the said sub-clauses as if each sub-clause contained the objects of a separate company.

*FOURTH:*— The liability of the Members is limited.

**FIFTH:—** The Share Capital of the Company is HK\$10,000.00 divided into 10,000 shares of HK\$1.00 each with the power for the company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without preference, priority or special privileges, or subject to any postponement of rights or to any conditions or restrictions and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.

We, the several persons, whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:—

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each subscriber
<p>For and on behalf of  <b>VICTON SECRETARY LIMITED</b>            CHU YIU KWONG — Director            Room 502-3, Commercial House,            35 Queen's Road Central,            Hong Kong.            Corporation</p>	<p>One</p>
<p>For and on behalf of  <b>VICTON MANAGEMENT LIMITED</b>            CHU YIU KWONG — Director            Room 502-3, Commercial House,            35 Queen's Road Central,            Hong Kong.            Corporation</p>	<p>One</p>
<p>Total Number of Shares Taken . . . . .</p>	<p>Two</p>

Dated the 28<sup>th</sup> day of February, 1997.  
 WITNESS to the above signatures:

VICONIA CHAN  
 Company Secretary  
 Rm. 502-3 Commercial House,  
 35 Queen's Road Central,  
 Hong Kong.

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THE COMPANIES ORDINANCE (CHAPTER 32)

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*Private Company Limited by Shares*

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**ARTICLES OF ASSOCIATION**

**OF**

**TARGET LINK LIMITED**

匯標有限公司

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- 1 The regulations contained in Table "A" in the First Schedule to the Companies Ordinance (Chapter 32) shall apply to the Company save in so far as they are hereby expressly excluded or modified. In case of conflict between the provisions of Table "A" and these presents, the provisions herein contained shall prevail.
- 2 The Company is a private company and accordingly:-
  - (a) the right to transfer shares is restricted in manner hereinafter prescribed;
  - (b) the number of members of the company (exclusive of persons who are in the employment of the company and of persons who having been formerly in the employment of the company were while in such employment and have continued after the determination of such employment to be members of the company) is limited to fifty. Provided that where two or more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be treated as a single member;
  - (c) any invitation to the public to subscribe for any shares or debentures of the company is prohibited;
  - (d) the company shall not have power to issue share warrants to bearer.

**Transfer of Shares**

- 3 The Directors may decline to register any transfer of shares to any person without giving any reason therefor. The Directors may suspend the registration of transfers during the twenty-one days immediately preceding the Ordinary General Meeting in each year. The Directors may decline to register any instrument of transfer, unless
  - (a) a fee not exceeding two dollars is paid to the Company in respect thereof, and
  - (b) the instrument of transfer is accompanied by the Certificate or the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

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## Redemption or Purchase of Own Shares

- 4 Subject to the Ordinance, the Company may by special resolution redeem or purchase its own shares out of its capital.

## Chairman of Directors

- 5 The Directors may elect a chairman of their meetings, and determine the period for which he is to hold office, and unless otherwise determined the chairman shall be elected annually. If no chairman is elected, or if at any meeting the chairman is not present within half an hour of the time appointed for holding the same, the Directors present shall choose someone of their number to be the chairman of such meeting.
- 6 Unless and until the Company in General Meeting shall otherwise determine, the number of Directors shall not be less than two. The first Directors of the Company shall be nominated in writing by the subscribers to the Memorandum of Association.
- 7 A Director who is about to go away from or is absent from Hong Kong may with the approval of the majority of the other Directors nominate any person to be his substitute and such substitute whilst he holds office as such shall be entitled to notice of Meetings of the Directors and to attend and vote thereat accordingly and he shall ipso facto vacate office if and when the appointor returns to Hong Kong or vacate office as a Director or removes the substitute from office and any appointment and removal under this Article shall be effected by notice in writing under the hand of or by cable from the Directors making the same. A Director may appoint (Subject as above provided) one of the other Director to be his substitute who shall thereupon be entitled to exercise (in addition to his own right of voting as a Director) such appointor's rights at Meetings of the Directors.
- 8 At the Ordinary General Meeting to be held next after the adoption of these Articles and at every succeeding Ordinary General Meeting all Directors, except Permanent Directors if any are appointed, shall retire from office and shall be eligible for re-election.
- 9 A Director shall not require any qualification shares.
- 10 The office of a Director shall be vacated if the Director:-
- (a) resigns his office by notice in writing to the Company; or
  - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) becomes of unsound mind.
- 11 (a) No Director shall be disqualified from his office by contracting with the Company, nor shall any such contract or any contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract by reason only of such Director holding that office, or of the fiduciary relations thereby established but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract is determined on if his interest then exists, or, in any other case, at the first meeting of the Directors after the acquisition of his interest. A Director may vote in respect of any contract or arrangement in which he is interested.
- (b) A Director of the Company may be or become a Director of any company promoted by this Company or in which it may be interested as a vendor, shareholder or otherwise and such Director shall be accountable for any benefits received as a Director or shareholder of such company.
- 12 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their Meetings as they think fit and determine the quorum necessary for the transaction of business. Until otherwise determined, two Directors shall constitute a quorum.

- 13 Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.
- 14 Subject to the provisions of Article 6 hereof, the Directors shall have power at any time, and from time to time, to appoint a person as an additional Director who shall retire from office at the next following Ordinary General Meeting, but shall be eligible for election by the Company at that meeting as an additional Director.
- 15 The Company may by special resolution remove any Director and may by an ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.
- 16 Any Resolution of the Board of Directors in writing signed by the majority of the Directors, in whatever part of the world they may be, shall be valid and binding as a resolution of the Directors provided that notice shall have been given to all the Directors of the Company capable of being communicated with conveniently according to the last notification of address by each such Director given to the Registered Office of the Company.
- 17 Where any notice is required either by these Articles, by Table "A", by the Ordinance or otherwise, to be given to any Director or to any Member of the Company, such shall be valid if given by cable and where any consent, agreement, signature, notice by or authority from any Director or Member of the Company such shall be good and valid if given by cable in spite of the fact that neither the cable nor the document by which the cable is sent bears a written signature. This clause shall not apply to Special Resolutions.

#### **Powers of Directors**

- 18 The Directors, in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company in General Meeting subject nevertheless to the provisions of the Companies ordinance (Chapter 32), to these Articles, and to any regulations from time to time made by the Company in General Meetings, provided that no such regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulations had not been made.
- 19 Without prejudice to the general powers conferred by the proceeding Article and the other powers conferred by these Articles, it is hereby expressly declared that the Directors shall have the following powers that is to say, power:—
  - (a) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
  - (b) To purchase or otherwise acquire for the Company or sell or otherwise dispose of any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they shall think fit.
  - (c) To engage, suspend or dismiss the employees of the Company, and to fix and vary their salaries or emoluments.
  - (d) To institute, conduct, defend, compromise or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.
  - (e) To refer any claims or demands by or against the Company to arbitration and observe and perform the awards.
  - (f) To make and give receipts, releases and clear discharges for moneys payable to the Company, and for claims and demands of the Company.
  - (g) To invest, lend or otherwise deal with any of the moneys or property of the Company in such manner as they think fit having regard to the Company's Memorandum of Association and from time to time to vary or realise any such investment.

- (h) To borrow money on behalf of the Company, and to pledge, mortgage or hypothecate any of the property of the Company.
- (i) To open a current account with themselves for the Company and to advance any money to the Company with or without interest and upon such terms and conditions as they shall think fit.
- (j) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for, or in relation to, any of the matters aforesaid, or otherwise for the purposes of the Company.
- (k) To give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction, and such commission shall be treated as part of the working expenses of the Company, and to pay commissions and make allowances (either by way of a share in the general profits of the Company or otherwise) to any person introducing business to the Company or otherwise promoting or serving the interest thereof.
- (l) To sell, improve, manage, exchange, lease, let, mortgage or turn to account all or any part of the land, property, rights and privileges of the Company.
- (m) To employ, invest or otherwise deal with any Reserve Fund or Reserve Funds in such manner and for such purposes as the Directors may think fit.
- (n) To execute, in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provision as shall be agreed upon.
- (o) From time to time to provide for the management of the affairs of the Company abroad in such manner as they think fit, and in particular to appoint any persons to be the attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as they think fit.
- (p) From time to time to make, vary or repeal rules and by-laws for the regulation of the business of the Company, its officers and servants.
- (q) To delegate any or all of the powers herein to any Director or other person or persons as the Directors may at any time think fit.

20 Clause 81 of Table "A" shall not apply.

#### Cheques etc.

21 All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, shall be made, signed, drawn, accepted and endorsed, or otherwise executed by the Chairman of the Board or by the person or persons from time to time authorised by a resolution of the Directors.

#### The Seal

- 22 (a) The Seal of the Company shall be kept by the Board of Directors and shall not be used except with their authority.
- (b) Every document required to be sealed with the Seal of the Company shall be deemed to be properly executed



if sealed with the Seal of the Company and signed by the Chairman of the Board, or such person or persons as the Board may from time to time authorise for such purpose.

### **General Meetings**

- 23 A General Meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding General Meeting) and place as may be prescribed by the Company in General Meeting and if no other time or place is prescribed a General Meeting shall be held at such time and place as the Directors may from time to time determine. General Meetings held under this Article shall be called Annual General Meetings. General Meeting other than the Annual Meeting shall be called Extraordinary General Meetings. Provided that so long as the Company holds its First Annual General Meeting Within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year.
- 24 (a) The quorum for the transaction of business at any General Meeting shall be two members present in person or by proxy.
- (b) Meetings may be held in Hong Kong or at such other place or places in the world as the majority of the shareholders in value shall from time to time by resolution determine.
- (c) A resolution in writing signed by All of the shareholders and annexed or attached to the General Meetings Minute Book shall be as valid and effective as a resolution passed at a meeting duly convened. The signature of any shareholder may be given by his Attorney or Proxy. Any such resolution may be contained in one document or separate copies prepared and/or circulated for the purpose and signed by one or more shareholders

### **Votes of Members**

- 25 All voting of members in respect of any matter or matters shall be by poll and every member present in person or by proxy shall have one vote for each share of which he is the holder.

### **Divisions of Profits**

- 26 The net profits of the Company in each year shall be applied in or towards the formation of such reserve fund or funds and in or towards the payment of such dividends and bonuses as the Directors subject to the approval of the Company in General Meeting may direct.
- 27 No dividend shall be payable except out of the profits of the Company, and no dividend shall carry interest as against the Company.
- 28 A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- 29 If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends or for other moneys payable in respect of such share.
- 30 The Directors may retain any dividends payable on shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 31 All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for benefit of the Company until claimed.

**Secretary**

- 32 The Directors may from time to time by resolution appoint or remove a Secretary. In the event that the secretary appointed is a corporation or other body, it may act and sign by the hand of any one or more of its directors or officers duly authorised. The first Secretary of the Company shall be Victon Secretary Limited.

Names, Addresses and Descriptions of Subscriber

For and on behalf of  
VICTON SECRETARY LIMITED  
CHU YIU KWONG— Director  
Room 502-3, Commercial House,  
35 Queen's Road Central,  
Hong Kong.  
Corporation

For and on behalf of  
VICTON MANAGEMENT LIMITED  
CHU YIU KWONG— Director  
Room 502-3 Commercial House,  
35 Queen's Road Central,  
Hong Kong.  
Corporation

Dated the 28th day of February, 1997.  
WITNESS to the above signatures

VICONIA CHAN  
Company's secretary  
Rm. 502-3 Commercial House,  
35 Queen's Road Central,  
Hong Kong.

The directors have pleasure in presenting their report together with the audited financial statements of the company for the period from 19th March 1997 (date of incorporation) to 31st December 1997.

#### FINANCIAL STATEMENTS

The results for the period are set out in the profit and loss account on page 4.

The state of affairs of the company at 31st December 1997 is set out in the balance sheet on page 5.

#### PRINCIPAL ACTIVITIES

The company commenced business on 3rd May 1997 and its principal activity is property investment.

There have been no significant changes in the nature of these activities during the period.

#### DIVIDENDS

No dividends were paid during the period and no recommendation is made as to dividends.

#### FIXED ASSETS

Movements in fixed assets during the period are set out in note 6 to the financial statements.

#### ISSUE OF SHARES AND DEBENTURES

During the financial period the following share issues were made by the company:

Class	Number	Terms and purpose of issue
Ordinary shares	98	Issued at par on 15th May 1997 for cash to raise additional working capital

The company did not issue any debentures during the financial period.

#### DIRECTORS

The directors during the period and up to the date of this report were:



Mr. TO Kun Sun, James



(appointed on 2nd May 1997)

In accordance with the company's Articles of Association, all directors retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

#### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the period.

#### DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance, to which the company, its fellow subsidiaries or its holding company was a party and in which a director of the company had a material interest, subsisted at the end of the period or at any time during the period.

#### DIRECTORS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period was the company, its fellow subsidiaries or its holding company a party to any arrangements to enable the directors of the company to acquire benefits by means of acquisition of shares in or debentures of the company or any other body corporate.

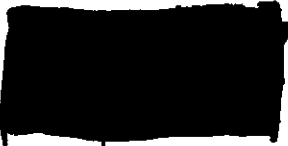
DIRECTORS' REPORT (cont'd)

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AUDITORS

The auditors, Messrs. Po & Yick, Certified Public Accountants, retire and, being eligible, offer themselves for reappointment.

On behalf of the board



Chairman

15 OCT 1998

日期：2004 年 8 月 23 日

新聞報導

記者 報導：

「這個在荔枝角道 134 號一樓的單位，仍然掛著民主黨的招牌，月前已經空置。涂謹申在 97 年與黨友成立一間名叫匯標的有限公司，每人一股。他們其後簽署文件，為民主黨託管這間公司股權。匯標以大約一百萬購入這個單位，在 98 年 6 月開始，涂謹申以每月六千八百元租用單位的大廳作辦事處。在 2000 年開始，單位的兩間房分別以月租三千五百元租予民主黨兩名區議員 及 。

整個單位合計月租一萬三千八百元，三人各自向立法會及區議會申領回租金。

我們向差餉物業估價署查詢，在 00 年至 01 年度，這個單位一年的應課差餉租值是五萬六千四百元，平均每個月租值應該是四千七百元。在單位樓下的地產公司說，98 年這個單位可以租近一萬元，但 00 年後，租金回落至最多七千元。」