

Bills Committee on Rail Merger Bill
Meeting on 30 November 2006 (Thursday) at 10:45 a.m.

Proposal to seek the Council's authorization for the Bills Committee to exercise the powers conferred under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) to order the Administration and MTR Corporation Limited to disclose further information relating to the valuation of the property package and financial arrangements for the merger deal

Speaking Note for Mr Martin Glass, DS(Tsy)2

Madam Chairman,

The Government has been working very closely with this Bills Committee on Rail Merger Bill, and has already provided substantial amount of information for Members' consideration. We believe the information provided is sufficient to enable members consider the merger proposal.

2. With regard to the property package, we would reiterate that the valuation was assessed by an independent professional valuer appointed by Government. The methodology adopted for the valuation is one widely used in the valuation profession and, indeed, the Hong Kong Institute of Chartered Surveyors gave support to it.

3. As pointed out earlier, we have provided a lot of information to the Bills Committee in previous sessions with the aim to assure Members that the valuation was conducted on a fair and reasonable basis. Further, upon Members' request, we have also provided commercially sensitive information to the Bills Committee at a closed-door session held on 24 November 2006. At the same time, we explained to Members why such information must remain confidential, as any leakage into the public domain would cause disruption to the sale of flats of individual development projects or even the wider property market. We believe Members would find the information considered in the closed-door session useful in their assessment of the property package.

4. Government is opposed to the motion put before this Committee. We are concerned that any forced public disclosure of market sensitive information would be regarded unfavourably by the business community and international investors. This could have a negative effect on private sector entities wishing to enter into cooperation or business transactions with Government in future. This is detrimental to Hong Kong's image as a financial and trade centre, and is against the public interest. I urge Members to vote against such a motion.

5. I would like now to invite Mr Lincoln Leong to respond on behalf of the Corporation to Members' request for information.