

**立法會**  
**Legislative Council**

Ref : CB2/DC/IS/05

LC Paper No. CB(2)856/05-06  
(These minutes have been cleared  
with the Convenor)

**Extract from the minutes of LegCo Members' Meeting with  
Islands District Council Members  
on Thursday, 24 November 2005 at 10:45 am  
in Conference Room A of the Legislative Council Building**

**Members present** : Hon LEE Cheuk-yan (Convenor)  
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP  
Hon LAU Wong-fat, GBM, GBS, JP  
Hon WONG Kwok-hing, MH  
Hon Daniel LAM Wai-keung, BBS, JP  
Hon CHEUNG Hok-ming, SBS, JP

**By invitation** : **Islands District Council**

Hon Daniel LAM Wai-keung, BBS, JP (Chairman)  
Ms CHAU Chuen-heung, MH, JP (Vice Chairman)  
Mr LEE Chi-fung, MH  
Mr YUNG Chi-ming, MH  
Ms LEE Kwai-chun, MH  
Mr KWONG Kwok-wai, MH  
Mr LAM Kit-sing  
Miss YUNG Wing-sheung, Amy  
Mr WONG Fuk-kan  
Mr LEUNG Siu-tong  
Mr LO Kwong-shing, Andy  
Mr WAN Tung-lam, Tony  
Rev SIK Chi-wai, BBS

**Islands District Office  
District Council Secretariat**

Ms CHAN Shui-ping, Esther  
Senior Executive Officer

**Staff in attendance** : Mrs Sharon TONG  
Chief Council Secretary (2)1  
  
Miss Josephine SO  
Council Secretary (2)1

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Action

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**III. Corruption cases in connection with building management companies – requirements of Building Management Ordinance (BMO), powers and responsibilities of the authority or an authorised officer**

28. Miss YUNG Wing-sheung said that the Home Affairs Bureau (HAB) had not properly exercised the power entrusted to it under section 36 and section 40A of the Building Management Ordinance (BMO). She considered that there was dereliction of duty on the part of HAB.

29. Miss YUNG Wing-sheung considered that property owners were not well protected in Hong Kong. She cited the case of Discovery Bay as example. She said that the principal Deed of Mutual Covenant (DMC) of Discovery Bay, which was signed between the first-hand owners and the developer in some twenty years ago, contained many inequitable terms. For example, there was serious imbalance between the developer and individual property owners in their share of management fee.

30. Miss YUNG Wing-sheung also pointed out that the owners of Discovery Bay had great difficulty in forming Owners Corporation (OC) as the developer and its subsidiaries held more than 77% of the undivided shares while other owners only held about 23% of the undivided shares. As a result, they could not form an OC to oversee the work of the property management company of Discovery Bay.

31. Miss YUNG Wing-sheung considered that HAB should proactively address the issues she raised in order to safeguard the interests of property owners.

32. Mr WONG Kwok-hing said that a Bills Committee had been formed to study the Building Management (Amendment) Bill 2005. IsDC members were welcomed to forward their views to the Bills Committee. Mr WONG further advised that in the course of examining the legislative proposals, he had raised the issues of concern to the Administration. He had also suggested a tighter control of building management companies.

Action

33. Miss YUNG Wing-sheung referred to Legal Advisory and Conveyancing Office Circular Memorandum No. 41 (LACO CM No. 41) issued by Lands Department (LD) and said that there were guidelines in LD that a DMC should achieve a fair balance between those having interests in a lot. She suggested that LACO CM No. 41 should be made the basis for drawing up a DMC.

34. The Convenor said that the problem with inequitable terms in DMC had been causing concern for years. This reflected that there were inadequacies with the existing legislation. The Convenor suggested that the concerns of the IsDC members should be relayed to the Bills Committee on Building Management (Amendment) Bill 2005 and the Panel on Home Affairs for consideration. Members agreed.

LegCo  
Secretariat

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Council Business Division 2  
Legislative Council Secretariat  
12 January 2006