

立法會
Legislative Council

LC Paper No. CB(1)184/06-07
(These minutes have been
cleared with the Chairman)

Ref : CB1/PL/FA/1

Panel on Financial Affairs

Minutes of meeting
held on Thursday, 12 October 2006 at 5:20 pm
in Conference Room A of the Legislative Council Building

- Members present** : Hon CHAN Kam-lam, SBS, JP (Chairman)
Hon Bernard CHAN, GBS, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon WONG Ting-kwong, BBS
Hon CHIM Pui-chung
- Members absent** : Dr Hon David LI Kwok-po, GBS, JP
Hon James TO Kun-sun
Hon SIN Chung-kai, JP
Hon Ronny TONG Ka-wah, SC
Hon TAM Heung-man
- Clerk in attendance** : Miss Salumi CHAN
Chief Council Secretary (1)5

Staff in attendance : Ms Pauline NG
Assistant Secretary General 1

Ms Rosalind MA
Senior Council Secretary (1)8

Mr Justin TAM
Council Secretary (1)3

Ms May LEUNG
Legislative Assistant (1)8

Action

I. Election of Chairman and Deputy Chairman

Election of Chairman

Mr Bernard CHAN, Chairman of the Panel for the 2005-2006 session, presided over the election of the Chairman of the Panel for the 2006-2007 session. He invited nominations for the chairmanship.

2. Mr CHAN Kam-lam was nominated by Mr James TIEN and the nomination was seconded by Mr Abraham SHEK. Mr CHAN accepted the nomination. There being no other nominations, Mr Bernard CHAN declared that Mr CHAN Kam-lam was elected Chairman of the Panel for the 2006-2007 session. Mr CHAN Kam-lam then took over the chair.

Election of Deputy Chairman

3. The Chairman invited nominations for the deputy chairmanship. Mr Bernard CHAN was nominated by Mr Andrew LEUNG and the nomination was seconded by Ir Dr Raymond HO. Mr CHAN accepted the nomination. There being no other nominations, the Chairman declared that Mr Bernard CHAN was elected Deputy Chairman of the Panel for the 2006-2007 session.

4. The Chairman informed members that Mr Albert HO had joined the Panel from the 2006-2007 session. He welcomed Mr HO to join the Panel.

II. Schedule of meetings for the 2006-2007 session

5. Members noted the proposed meeting schedule tabled at the meeting and agreed that regular meetings of the Panel for the 2006-2007 session be held on the first Monday of each month at 10:45 am. Members also agreed on the following arrangements for the regular meetings in December 2006, January 2007 and July 2007:

(a) Meeting in December 2006

As the Financial Secretary (FS) was not available in the morning of the first Monday of December 2006 due to other official commitment, the regular Panel meeting for that month would be scheduled for Thursday, 14 December 2006 at 10:00 am.

(b) Meeting in January 2007

As the first Monday of January 2007 was a public holiday for the New Year, the regular Panel meeting for that month would be scheduled to be held on another date to be worked out by the Clerk.

(c) Meeting in July 2007

As the first Monday of July 2007 was a public holiday for the day following the Hong Kong Special Administrative Region Establishment Day, the regular Panel meeting for that month would be scheduled for Thursday, 5 July 2007 at 10:45 am.

(Post-meeting note: The finalized schedule of regular meetings for the 2006-07 session was issued to members vide LC Paper No. CB(1)58/06-07 on 13 October 2006.)

III. Items for discussion at the next meeting

(Appendix V to	— List of outstanding items for
LC Paper No. CB(1)11/06-07	discussion
Appendix VI to	— List of follow-up actions)
LC Paper No. CB(1)11/06-07	

Special meeting on 16 October 2006

6. The Chairman reminded members that a special meeting had been scheduled for Monday, 16 October 2006 from 4:35 pm to 5:35 pm for the Secretary for Financial Services and the Treasury (SFST) to brief Members on the relevant policy initiatives featuring in the Chief Executive's 2006-2007 Policy Address.

Regular meeting on 6 November 2006

7. The Chairman referred members to the “List of outstanding items for discussion”. Members agreed that the following three items proposed by the Administration be placed on the agenda for the regular meeting to be held on Monday, 6 November 2006 from 8:30 am to 12:45 pm:

- (a) The 2007-08 Budget consultation;
- (b) Briefing on the work of the Hong Kong Monetary Authority (HKMA); and
- (c) Proposal on hosting of the 59th Session of the International Statistical Institute (ISI) in 2013.

8. In addition to the three items mentioned above, the Chairman drew members’ attention to the letter dated 29 September 2006 from Hon James TO (LC Paper No. CB(1)2335/05-06(01) issued on 10 October 2006), suggesting the Panel to discuss at its meeting in November 2006 how the matter relating to the question of whether conflict of interests were involved in Mr Paul CHENG’s two roles (i.e. the Chairman of the Board of Directors of The Link Management Limited as well as a Senior Adviser to Deutsche Bank) should be taken forward. Members agreed to Mr James TO’s suggestion.

Issues relating to change in shareholding in PCCW Limited

9. Given that the joint meeting of the Panel on Information Technology and Broadcasting (ITB Panel) and the Panel on Financial Affairs (FA Panel) originally scheduled for 4 August 2006 had been deferred to enable members to attend the extended Council meeting, members discussed meeting arrangements for discussion of the issues relating to change in shareholding in PCCW Limited (PCCW). Ms LAU pointed out that members of the ITB Panel had proposed at the first Panel meeting held earlier that morning that instead of discussing the subject at a joint meeting, the two Panels could arrange special meetings at consecutive timeslots to discuss within their respective policy purviews issues relating to change in shareholding in PCCW. Members agreed to the proposed meeting arrangements. The Chairman directed the Clerk to follow up accordingly.

(Post-meeting note: The special meeting of the FA Panel was scheduled for Thursday, 23 November 2006 at 2:30 pm, to be followed by the special meeting of ITB Panel on the same day at 4:05 pm.)

10. Ms Emily LAU suggested and other members agreed that the discussion at the special meeting of the FA Panel would cover the following issues:

- (a) Whether and how the interests of minority shareholders and small investors were protected under the current regulatory regime in Hong Kong in the event of change in shareholdings of listed companies, as revealed in the reported sale of the 22.66% shares in PCCW held by Pacific Century Regional Development, a Singapore-listed company, to the Fiorlatte Limited wholly owned by Mr Francis LEUNG Pak-to;
- (b) As there were no statutory restrictions on the sale of shares of telecommunications companies to foreign buyers, the evolution of the deal from the initial plan for divestment of PCCW assets to potential foreign buyers to the sale of shares to a local buyer had given rise to the concern on whether there was a level playing field for foreign investors; and
- (c) As the Fiorlatte Limited was required by the regulatory authorities in Singapore to disclose details of the deal, such as source of funding, it had given rise to the concern on whether the regulatory authorities in Hong Kong should apply the same disclosure requirements to similar cases involving Hong Kong-listed companies. In this connection, what were the disclosure requirements applicable in Singapore and Hong Kong respectively?

Other proposed discussion items for the 2006-2007 session

11. The Chairman informed members that he would be meeting with SFST in November to discuss the work plan of the Panel for the 2006-2007 session. He invited members who would like to propose items for discussion by the Panel during the session to forward the details of the items in writing to the Clerk by 27 October 2006.

IV. Any other business

12. There being no other business, the meeting ended at 5:35 pm.