

立法會
Legislative Council

LC Paper No. CB(1) 668/08-09
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Tuesday, 16 December 2008, at 2:30 pm
in the Chamber of the Legislative Council Building

Members present : Hon WONG Kwok-hing, MH (Chairman)
Hon Frederick FUNG Kin-kee, SBS, JP (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon LEE Wing-tat
Dr Hon Joseph LEE Kok-long, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon KAM Nai-wai, MH
Hon CHAN Hak-kan
Hon WONG Sing-chi

Members attending : Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon Albert CHAN Wai-yip
Hon Ronny TONG Ka-wah, SC
Hon Starry LEE Wai-king

Members absent : Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, SBS, JP
Hon WONG Kwok-kin, BBS

**Public officers
attending**

: For item IV

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr LAU Kai-hung, JP
Deputy Director (Estate Management)
Housing Department

Mr Tony LIU King-leung
Chief Manager/Management (Support Services 2)
Housing Department

For item V

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr LAU Kai-hung, JP
Deputy Director (Estate Management)
Housing Department

Dr PANG Hon-wah
Chief Manager/Management (Support Services 5)
Housing Department

For item VI

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Ms Annette LEE Lai-yee
Deputy Secretary for Transport and Housing (Housing)

Ms Kitty YU Wing-lun
Principal Assistant Secretary for Transport and Housing
(Housing) (Policy Support)

**Attendance by
invitation**

: For item VI

The Link Management Limited

Mr Ian ROBINS
Executive Director and Chief Executive Officer

Ms L K LAM
Director (Corporate Communications and Strategy)

Clerk in attendance : Miss Becky YU
Chief Council Secretary (1)1

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)2

Miss Mandy POON
Legislative Assistant (1)4

Action

- I. Confirmation of minutes**
(LC Paper No. CB(1) 377/08-09 — Minutes of the meeting held on 24 October 2008)

The minutes of the meeting held on 24 October 2008 were confirmed.

II. Information paper issued since last meeting

2. Members noted the following information papers which had been issued since last meeting -

LC Paper No. CB(1) 314/08-09(01) — Referral arising from the meeting between Duty Roster Members and the 全港租客大聯盟 on 21 November 2008 regarding the request for review of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) (Chinese version only)

LC Paper No. CB(1) 329/08-09(01) — Submission from Mr LAI Ming-hung expressing concern about the high cost of liquefied petroleum gas supplied in public housing estates (Chinese version only)

LC Paper Nos. CB(1) 177/08-09(01) — Administration's paper on Land
and CB(1) 340/08-09(01) Registry Statistics in October and
November 2008

Mr Alan LEONG said that the Panel should follow up the submission from 全港租客大聯盟 regarding the review of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7), which was also raised at the meeting with Duty Roster Members on 21 November 2008. The Chairman advised that the subject had already been included in the list of outstanding items for discussion by the Panel.

III Items for discussion at the next meeting

(LC Paper No. CB(1) 378/08-09(01) — List of follow-up actions
LC Paper No. CB(1) 378/08-09(02) — List of outstanding items for
discussion)

3. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 5 January 2009, at 2:30 pm -

- (a) Progress of the Total Maintenance Scheme and way forward; and
- (b) Building designs of public housing estates.

IV. Marking Scheme for Estate Management Enforcement in Public Housing Estates

(LC Paper No. CB(1) 378/08-09(03) — Administration's paper on Marking Scheme for Estate Management Enforcement in Public Housing Estates

LC Paper No. CB(1) 378/08-09(04) — Paper on Marking Scheme for Estate Management Enforcement in Public Housing Estates prepared by the Legislative Council Secretariat (Background brief)

4. The Chief Manager/Management (Support Services 2) (CM/M(SS2)) gave a power-point presentation on the progress of implementing the Marking Scheme for Estate Management Enforcement in Public Housing Estates (the Marking Scheme) and the improvement proposal which would take effect from 1 January 2009.

5. Mr Frederick FUNG considered it unfair that the entire family should be held liable for a misdeed committed by an individual family under the Marking Scheme, the consequence of which might lead to termination of tenancy upon accumulation of 16 points within two years. The Deputy Director (Estate Management) (DD(EM)) said

Action

that public housing estate (PHE) tenants were required to observe the tenancy requirements and policy of the Housing Authority (HA), which specified that any misdeeds committed by an individual family member would affect the tenancy of the entire family. The purpose of allotting points under the Marking Scheme was to deter misdeeds and nuisances caused to other tenants and was only a form of warnings against repeating the same misdeed by individual PHE households. It was found that the hygienic conditions of PHEs had been significantly improved with the implementation of the Marking Scheme. While over 8 000 PHE households had been allotted points under the Marking Scheme, only 16 Notices-to-Quit had been issued to terminate their tenancies.

Misdeeds under the Marking Scheme

6. Mr Frederick FUNG was concerned about possible double penalty for misdeeds, such as illegal gambling in public places and damaging/stealing HA's property, which were already criminal offences under the existing laws. DD(EM) said that only more serious misdeeds involving damage of fire prevention equipment and alarms etc. would be allotted points under the Marking Scheme. So far, there were only nine such cases Mr FUNG held the view that HA should provide more specific descriptions about the misdeeds where points would be allotted, as otherwise PHE tenants would be unnecessarily caught under the Marking Scheme, which might lead to termination of tenancy.

7. Referring to Category B3 misdeed of "Keeping of animals, birds or livestock inside leased premises without prior written consent of the landlord", Mr Frederick FUNG enquired if the keeping of pets was allowed in PHEs. He opined that HA should be more specific about the kinds of animals which should not be kept as otherwise tenants could be penalized for keeping fish and other small pets. DD(EM) said that the keeping of dogs and other unauthorized animals and livestock inside the leased premises without prior written consent of the landlord would carry with it five penalty points under the Marking Scheme. The information pamphlets on the Marking Scheme had clearly set out the types of animals which should not be kept. At members' request, the Administration agreed to review the descriptions of misdeed which would result in the allotment of penalty points under the Marking Scheme.

8. Dr Joseph LEE expressed concern about the discrepancy in the enforcement of smoking under the Marking Scheme in common areas within Tenants Purchase Scheme (TPS) estates. He pointed out that as owners' corporations of TPS estates could have their own rules about smoking, a tenant who was found smoking in common areas within a TPS estate might not be allotted points under the Marking Scheme as their counterparts in PHE estates. Sharing similar concern, the Chairman enquired about the general application of the Marking Scheme in TPS estates. DD(EM) said that TPS flats once sold would be regarded as private properties and managed by their owners' corporations which would set their own management rules. Residents of TPS estates, be they owners or tenants, would need to observe these rules. It was worth noting that about 70% of flats in TPS estates were sold to tenants while 30% were still under HA ownership. PHE tenants residing in TPS estates would only

Action

be allotted penalty points for misdeeds committed within their units but not in the common areas which were outside the purview of the Marking Scheme.

9. Referring to the recent incidents of throwing objects from height in PHE estates, Mr CHAN Kam-lam stressed the need for estate management staff to be more vigilant over the enforcement of such misdeeds. DD(EM) said that the misdeed of throwing objects from height would carry seven penalty points for less heavy objects and 15 points for objects which might cause danger or personal injury. The tenancy would be terminated immediately if the misdeed of throwing objects from height had resulted in personal injury.

10. Since throwing objects from height was a criminal offence, Mr LEUNG Kwok-hung said that the person caught red-handed should be arrested rather than allotting points under the Marking Scheme, which in his view could not have prevented him/her from throwing objects in other locations. He also considered it unacceptable that the entire family should be held liable for the misdeed committed by a family member, since other family members might not have knowledge of the misdeed and could not have prevented the family member concerned from committing the misdeed. Accumulation of penalty points leading to the termination of tenancy might lead to family disharmony. Besides, there might be circumstances where the misdeed of throwing objects from height was committed by a visitor or relative who did not reside in the PHE unit. He further pointed out that by imposing penalty, HA had unrightfully assumed the role of the courts.

Inclusion of the misdeed of water dripping from air-conditioners into the Marking Scheme

11. Mr CHAN Kam-lam supported the Marking Scheme which had brought about significant improvements in estate management. He also welcomed the inclusion of the misdeed of water dripping from air-conditioners (A/C) into the Marking Scheme, which was a source of nuisance to residents especially during the summer months. However, publicity on the inclusion should be stepped up so that residents would be made aware of the need to make the necessary installations to prevent water dripping from their A/C. DD(EM) said that there was a need for including the misdeed of water dripping from A/C into the Marking Scheme as the number of such complaints in PHEs had risen from 18 900 in 2005/06 to over 23 400 in 2006/07. Efforts would be made to publicize the additional misdeed so that residents would be better prepared to make installations to prevent water dripping from A/C in the summer months.

12. Mr Albert CHAN noted that the nuisance of water dripping from A/C was rampant in PHEs, but the Food and Environmental Hygiene Department was not able to take action against such nuisance because estate management fell under the remit of the Housing Department (HD). However, as HD staff was not empowered to take enforcement action against water dripping from A/C, the nuisance had remained unresolved. While being an advocator of the Marking Scheme, Mr CHAN enquired if HD staff could be empowered to serve notices to households concerned under the Public Health and Municipal Services Ordinance (Cap.132) requiring them to abate the

Action

nuisance. This would obviate the need for inclusion of such nuisance into the Marking Scheme, which carried the dire consequence of termination of tenancy. DD(EM) said that legislative amendments would be required to empower HD staff to serve notices. As the Marking Scheme had proved effective in deterring misdeeds, the inclusion of the misdeed of water dripping from A/C into the Marking Scheme was considered appropriate. Besides, there were only a few households who had had their tenancy terminated since the implementation of the Marking Scheme five years ago. Although the nuisance could in part be resolved through the installation of A/C drain-pipes and the inclusion of water dripping from A/Cs under the Marking Scheme, Mr CHAN enquired about other possible measures to further abate the problem. DD(EM) said that the nuisance of water dripping from A/C continued despite the installation of A/C drain pipes because some households failed to connect their A/C water conducting hose to the drain pipes. The misdeed would carry five points and the Warning System would apply. It was anticipated that with more publicity efforts of HD and the application of the Warning System, it would allow tenants sufficient opportunity to avoid committing the misdeed.

V. Report on the findings of the Comprehensive Structural Investigation on Ping Shek Estate

(LC Paper No. CB(1) 378/08-09(05) — Administration's paper on report on the findings of the Comprehensive Structural Investigation on Ping Shek Estate)

13. The Chief Manager/Management (Support Services 5) (CM/M(SS5)) gave a power-point presentation on the outcome of the comprehensive investigation on Ping Shek Estate and the recommended repair and improvement works.

14. Mr CHAN Kam-lam was pleased to note that the investigation had revealed that all the buildings within Ping Shek Estate were structurally safe though structural repair and improvement works were required. As consultation with tenants on the estate improvement items would need to be conducted, he enquired about the schedules for consultation as well as completion of the required repair and improvement works since tenants were keen to know the progress. DD(EM) said that consultation with the Estate Management Advisory Committee was held on 8 December 2008. The schedule for completion of the required structural repair and improvement works would be worked out and made available to tenants. At members' request, the Administration agreed to provide the Panel and residents with a progress report on the improvements works.

Admin

15. Referring to the list of required structural repair and improvement works in paragraph 5 (a) to (i), Mr CHAN Kam-lam questioned why some improvement works, such as the provision of a covered walkway at Wong Shek House which was well supported by tenants, were not included in the list. He hoped that HD should take the opportunity to meet the demand of tenants as far as practicable. DD(EM) said

Action

that to further enhance the living environment of the estate, HD would carry out other improvement works in the estate, including installation of green rooftops, construction of lifts and installation of additional lift floor openings to facilitate access. The proposed provision of a covered walkway at Wong Shek House was being considered and this would be provided if found feasible.

16. While welcoming the proposed construction of lifts and installation of additional lift floor openings to facilitate access, Mr Alan LEONG enquired about the schedules and implementation details of the works involved, particularly the latter. CM/M(SS5) said that HD was experienced enough in the construction of lifts. It would usually take around one and a half year to install a lift. Efforts would be made to reduce inconvenience to residents as far as possible and advance notification of the works would be given. Further consultation would be held with the tenants when a more comprehensive plan for the improvement works was worked out. DD(EM) added that since there were four lifts in each building, the installation works would proceed with one lift at a time, in an attempt to reduce the inconvenience to residents. Upon completion of the works, there would be lift floor openings on every floor. On Mr LEONG's further enquiry on the measures to ease passenger flow during peak hours, DD(EM) said that efforts would be made to facilitate access when the lift installation works was in progress.

17. Professor Patrick LAU declared interest as a member of HA. While welcoming the required repair/improvement works, he held the view that more could be done to improve the living environment of Ping Shek Estate as well as its facilities so that they would be comparable to new estates. Besides, efforts should be made to improve the aesthetics through greening and replacement of the bricks of the outer walls of the estate blocks. There might also be a need to upgrade the facilities to cater to the needs of residents. Green rooftops should be provided as far as possible in an attempt to reduce indoor temperature. DD(EM) said that the structural repair and improvement works would help sustain the estate blocks for at least 15 years. All the recommended improvements works would be proceeded with in tandem such that the standard of the facilities in Ping Shek Estate would be greatly improved upon completion of the works.

18. Mr Frederick FUNG supported more greening work, such as vertical greening and greening at podiums, to be carried out in the estate. He suggested that benches should be provided at green rooftops so that residents could arrange gatherings at rooftops. Apart from the existing auditorium and youth centre, more facilities should be provided to cater to the needs of the young and old. An information counter should be provided within the estate to answer enquiries from residents on the progress of repair/improvement works. DD(EM) said that as part of the Total Maintenance Scheme, an information counter would be set up at the Ping Shek Estate to answer enquiries from residents on the progress of maintenance and improvement works. More greening would be provided as appropriate.

19. Mr LEUNG Kwok-hung questioned the efficacy of green rooftops as these were not opened to the public. Instead, consideration should be given to developing

Action

solar energy at rooftops. He further pointed out that wooden rather than metal/concrete railings and benches should be provided in the common areas of estates for the comfort of tenants. More facilities should also be provided for their enjoyment.

VI. Provision and management of retail and carparking facilities in public housing estates after divestment

Meeting with The Link Management Limited

(LC Paper No. CB(1) 378/08-09(06) — Submission from The Link Management Limited)

Meeting with the Administration

(LC Paper No. CB(1) 378/08-09(07) — Administration's paper on provision and management of retail and carparking facilities in public housing estates after divestment

LC Paper No. CB(1) 378/08-09(08) — Paper on divestment of Housing Authority's retail and car-parking facilities prepared by the Legislative Council Secretariat (Background brief)

LC Paper No. CB(1) 399/08-09(01) — Submission from The Federation of H.K., KLN. and N.T. Public Housing Estates Resident and Shopowner Organizations (Chinese version only)

LC Paper No. CB(1) 411/08-09(01) — Submission from The Lion Rock Institute (English version only))

20 The Executive Director and Chief Executive Officer (ED/CEO) of The Link Management Limited (The Link) gave a power-point presentation on the Link's rental strategies and approach. He stressed that The Link's interests were aligned with those of its tenants, communities, and investors. While The Link would continue to exercise strong corporate and social responsibility, it was held 100% accountable to investors. Its rent approach aimed at keeping rents competitive and to the market.

(Post-meeting note: Copies of the power-point presentation materials used at the meeting were circulated under LC Paper No. CB(1) 432/08-09 (01) to (03) on 17 December 2008.)

21. On behalf of tenants of public housing estates (PHE) and retailers of The Link's shopping centres, Mr LEUNG Kwok-hung expressed grave dissatisfaction that The Link should be focusing on profits without due regard to the interest of residents.

Action

He reiterated that he had all along been against the divestment of HA's retail and carparking (RC) facilities, and the injection of these facilities into The Link Real Estate Investment Trust, as the decision was tantamount to privatizing public assets and was wrong from the start. This had also resulted in hefty increases in the rentals of RC facilities, which had indeed affected the livelihood of retailers, many of whom had been forced out of business. To resolve the problem, the Government should seriously consider buying back the shares of The Link, which was part of its duty under Article 105 of the Basic Law to protect the rights of individuals to acquisition of property.

22. Mr LEE Wing-tat opined that the Administration could not detach itself from the management of RC facilities within HA's PHE even after the divestment. He recalled that the Administration had undertaken that with improved operational efficiency, there would not be a need to increase shop rentals upon divestment of RC facilities, and retailers could continue with their business as usual. As it turned out, not only the rentals had been increased, some of the retailers in The Link's shopping malls were even not allowed to renew their tenancies despite that they were prepared to pay higher rents. As the motion debate on "Buying back the shares of The Link" would be held on 17 December 2008, he agreed with other members that the Government should seriously consider acquiring more shares of The Link so that it could appoint representatives into the board of directors to monitor the management of RC facilities.

23. The Under Secretary for Transport and Housing (USTH) said that the Government maintained that the decision to divest RC facilities was right as this had helped HA to focus on its core function of providing public rental housing to those in genuine need. Nevertheless, the Administration would relay the views of the public to The Link, which was expected to adopt a market-oriented commercial approach in operating the RC facilities.

24. Mr CHAN Kam-lam recalled that The Link had stated that it could only succeed if its tenants succeeded. Despite the efforts made by The Link to upgrade the facilities, its relationship with shop tenants had not been improved as evidenced by the increasing number of complaints from tenants and retailers. He opined that The Link should take proactive measures to establish a partnering relationship with tenants. These should include reducing the rents as a result of the deteriorating market situation, which had undermined the affordability of the general public amid the financial crisis. More promotional efforts should also be made to attract more business for the markets and shopping centres.

25. ED/CEO, The Link said that The Link acknowledged the need to help retailers to tie over the difficult period amid the financial tsunami. In this connection, The Link would be spending \$1.6 billion to upgrade the shopping centres under its portfolio, as otherwise the situation would be worsen and the quality of services would deteriorate. It was also actively seeking ways to increase patronage and sales revenues for its retailers. With the ongoing marketing efforts, the businesses of shopping centres were seen to have improved. So far, responses from the retailers

Action

and the communities were very positive.

26. Mr Tommy CHEUNG said that he had all along objected to the divestment of HA's RC facilities and the listing of The Link Real Estate Investment Trust. He recalled that The Link management had formerly given an undertaking that it would not increase the rents of markets and shopping centres if the patronage traffic and sales revenue had not been correspondingly increased. Therefore, The Link should not increase the rents until there had been an increase in foot traffic and sales revenue after the upgrading of RC facilities. To facilitate better understanding, he enquired if The Link could provide statistics on the changes and movements of shop tenants since the divestment, as well as a comparison on the price levels of commodities before and after the upgrading.

27. Mr Fred LI said that he had received a number of complaints from shop tenants of The Link's shopping centres. These included a café operator who was required to participate in a tender for the premises after six years of operation under two contracts in order to have the tenancy renewed. The operator was eventually forced out of business as the rent had increased by 65% as a result of the tender exercise. He therefore questioned the accuracy of the information given by The Link which stated that its rental increases were market based and relatively modest. He pointed out that unlike the average rent of \$22.60 per month before divestment in 2005 which was inclusive of management fees, the average rent of \$26.80 in 2008 under The Link's management was not and this represented a substantial increase. Given that The Link's shopping centres were all located in PHEs where most tenants were low-income families with low affordability, the hefty increase in shop rentals would have a serious impact on the livelihood of tenants and retailers. Hence, he was skeptical about the outcome of survey between the price levels of commodities sold by 12 Link managed and 12 counterpart retail facilities which indicated that they were roughly the same. He sought details of the counterpart retail facilities chosen for the survey. Mr Frederick FUNG further pointed out that HA's rents were inclusive of air-conditioning costs while The Link's rents were not. ED/CEO, The Link clarified that The Link's average rent per month also included management fees. As regards the survey on the price levels, this was independently conducted and had covered 12 randomly selected retail facilities in the proximity of the Link's shopping centres. He further pointed out that the gross revenue and net property income for The Link from September 2007 to September 2008 had only modestly increased by 7.1% and 8.5% respectively.

28. Dr Joseph LEE enquired whether there was a fixed rate of return for The Link. He also enquired whether the 180 RC facilities managed by The Link were meant to serve PHE tenants or attract customers from different districts. If the former was the case, the goods sold should be set at affordable price levels. To facilitate better understanding, information on estate tenants' income profile and prices of commodities sold in the Link's shopping centres and markets before and after divestment in 2005 and 2008 respectively would be useful. Noting that HA would be reducing the rents of its markets and shopping centres amid the financial crisis, he enquired whether The Link was prepared to do the same. USTH said that the Administration would provide the

Action

income profile of estate tenants from 2005 to 2008. ED/CEO, The Link said that The Link would maintain regular dialogue with individual tenants regarding specific leasing and business related matters, and assistance would be given on a case-by-case basis.

29. While acknowledging that The Link had tried to upgrade RC facilities in an attempt to improve sales revenue, Ms Starry LEE said that this might not be welcome by the shop tenants who were facing a hard time running their business amid the financial crisis, particularly if the upgrading would result in rent increases. She sought elaboration on the assistance to shop tenants which would be provided by The Link on a case-by-case basis, the number and distribution of tenants who did not renew their tenancies due to rent increases, and the measures to be adopted to reduce the rents of wet markets. ED/CEO, The Link said that there were 29 markets operated by single market operators under the contracts made between The Link and the operators. The increase in rent of these market stalls was beyond the control of The Link. When the contracts were due for renewal, The Link would assess the performance of the operators and decide whether their contracts should be renewed. The Link would also conduct a pilot study on the business model for operating wet markets.

30. Mr LEE Cheuk-yan said that the divestment of HA's RC facilities had given rise to an anomaly. According to a comparison of rentals between markets and shopping centres managed by HA and The Link, the latter was higher than the former by some 60% to 90%. This was because under the management of The Link, many retail stalls were leased out to chain stores which were able to afford higher rentals. As a result, many of the shop tenants were driven out from The Link's markets and shopping malls by the high rentals. On the other hand, the cost incurred from the high rentals would eventually be transferred to consumers, who were mostly PHE tenants from low income families. They would have no choice but to pay more for the goods because there were no other stores nearby to choose from. This had given rise to a lot of discontent within the community, particularly amid the financial turmoil. Despite the repeated calls for The Link to reduce rents, these had been declined on the ground that The Link was held accountable to its shareholders. He enquired whether the Administration could use its influence to require The Link to reduce rents and if not, whether it would consider buying back the shares of The Link. USTH reiterated that The Link had been operating RC facilities under a market-oriented commercial approach. There was no intention on the part of the Administration to buy back the shares of The Link, nor was there any intention to further divest HA's RC facilities.

31. Mr Alan LEONG enquired whether, in considering the appeal against the divestment of HA's RC Facilities, the Court of Final Appeal (CFA) had taken into account the market-oriented commercial approach to be adopted by The Link in its management of RC facilities. If it was later found that such an approach had affected the role of HA in its provision of amenities, HA might have contravened section 4(1) of the Housing Ordinance (Cap.283) (HO). He requested that quantifiable objectives should be worked out to assess HA's ability to discharge its role under section 4(1) of HO. USTH said that CFA had ruled that to secure the provision of RC facilities did not mean that HA should itself be the direct provider. HA would be regarded as having secured the provision of RC facilities so long as such facilities were available,

Action

even though they were not provided by HA but by a third party.

32. Mr Frederick FUNG noted that The Link had requested existing shop tenants to refurbish their premises in order to renew their tenancies. As a result, some tenants had chosen to close down their business as in the case of Fung Tak Restaurant in Tze Wan Shan Estate while others had to increase their food prices as in the case of the cafeterias in Homantin Estate, the cost of which would be transferred to customers, who were mostly low-income earners and could not be able to afford the increased price levels. Besides, high rents had also resulted in high vacancy rate of The Link's shopping centres. By way of illustration, almost 30% of the stalls in Fu Cheung Estate were vacant as tenants refused to enter into contracts with The Link on account of the high rentals. The situation would not only undermine a good trade mix in The Link's shopping centres, but also contravene section 4(1) of HO.

33. Mr Ronny TONG questioned why the Secretary for Transport and Housing did not attend the meeting to discuss such an important subject. He regretted that despite the numerous complaints, the Administration still upheld that the decision to divest HA's RC facilities was a right one. He said that the adoption of a market-oriented commercial approach by The Link in managing RC facilities had failed to meet the objective as set out in section 4(1) of HO. He enquired whether, in the event that the motion on "Buying back the shares of The Link" to be held on 17 December 2008 was carried, the Administration would buy back 100% of the shares of The Link and if so, whether it would still adopt the market-oriented commercial approach in managing RC facilities. USTH said that a motion debate would take place in the Legislative Council on 17 December 2008 as to whether the Government should buy back the shares of the Link, and the Administration would give a response after listening to the views of Members..

34. Mr Albert CHAN opined that The Link was an unscrupulous landlord. As a result of the significant rent increases, a large number of shop tenants were forced out of business. He said that both the Administration and The Link should be reproved for creating the present predicament faced by shop tenants, who were mostly operators of small and medium enterprises. The situation would be further aggravated if The Link sold the RC facilities. He suggested that another meeting should be held for shop tenants concerned to express their views. ED/CEO, The Link said that there was no intention on the part of The Link to sell its assets. It would focus on repositioning the stalls and improving the occupancy.

VII. Any other business

35. There being no other business, the meeting ended at 4:30 pm.