

立法會
Legislative Council

(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Monday, 6 December 2004, at 2:30 pm
in the Chamber of the Legislative Council Building

Members present : Hon CHAN Kam-lam, JP (Chairman)
Hon LEE Wing-tat (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHAN Yuen-han, JP
Hon LEUNG Yiu-chung
Dr Hon YEUNG Sum
Hon Abraham SHEK Lai-him, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, JP
Hon WONG Kwok-hing, MH
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG

Members attending : Hon James TIEN Pei-chun, GBS, JP
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon Martin LEE Chu-ming, SC, JP
Hon Margaret NG
Hon CHEUNG Man-kwong
Hon Miriam LAU Kin-ye, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
Hon Audrey EU Yuet-mee, SC, JP

Dr Hon KWOK Ka-ki
Hon Ronny TONG Ka-wah, SC

**Public officers
attending**

: Agenda item IV

Mr Michael M Y SUEN, GBS, JP
Secretary for Housing, Planning and Lands

Mr C M LEUNG, JP
Permanent Secretary for Housing, Planning and Lands
(Housing)

Mr Thomas TSO, JP
Deputy Secretary for Housing, Planning and Lands
(Planning & Lands) 1

Mr TAM Wing-pong, JP
Deputy Director of Housing (Strategy)

Mr Vincent TONG, JP
Deputy Director of Housing
(Development & Construction)

Mr Anthony WONG
Assistant Director of Housing (Legal Service)

Mr CHAN Nap-ming
Chief Architect
Housing Department

Ms Teresa WONG
Principal Assistant Secretary for Environment, Transport
and Works (Environment) 2

Dr CHAN Ying-lung, Ellen
Assistant Director (Waste Facilities)
Environmental Protection Department

Mr Patrick LAU, JP
Director of Lands

Mr Anthony ROBERTSON, JP
Assistant Director of Lands
(Legal Advisory and Conveyancing)

Mr Simon LEE

Deputy Law Officer (Civil Law)
Department of Justice

Clerk in attendance : Miss Odelia LEUNG
Chief Council Secretary (1)4

Staff in attendance : Ms Pauline NG
Assistant Secretary General 1

Mr KAU Kin-wah
Assistant Legal Adviser 6

Ms Sarah YUEN
Senior Council Secretary (1)6

Ms Christina SHIU
Legislative Assistant

Action

- I Confirmation of minutes**
(LC Paper No. CB(1)353/04-05 -- Minutes of meeting on
1 November 2004)

The minutes of the meeting held on 1 November 2004 were confirmed.

- II Information papers issued since last meeting**
(LC Paper No. CB(1)259/04-05(01) -- Memorandum from the
Secretariat's Complaints
Division referring to the Panel
concern about the progress of
the redevelopment of old public
rental housing estates raised at
the meeting on 1 November
2004 between Legislative
Council Members and the
Residents' Concern Group on
the Special Transfer Exercise in
Tsuen Wan and Kwai Tsing
LC Paper No. CB(1)282/04-05(01) -- Letter dated 18 November 2004
from the Model Scale 1 Staff
Consultative Council (Staff
Side) to the Secretary for the

Civil Service on “Civil Service Public Housing Quota for 2004-05”

LC Paper No. CB(1)283/04-05(01) -- Administration’s response to concerns about rights of tenants of the Old Urban Tenant Alliance (LC Paper No. CB(1) 55/04-05(01))

LC Paper No. CB(1)284/04-05(01) -- Letter dated 19 November 2004 from the Housing, Planning and Lands Bureau providing a paper on release of statistics on private housing supply in primary market)

2. Members noted the above information papers issued since the last monthly regular meeting of the Panel on 1 November 2004.

III Items for discussion at the next meeting

(LC Paper No. CB(1)350/04-05(01) -- List of outstanding items for discussion

LC Paper No. CB(1)387/04-05(01) -- List of follow-up actions)

3. In recognition of grave public concern and hence likely in-depth discussion on the disposal of the Hunghom Peninsula Private Sector Participation Scheme (PSPS) flats, which would be discussed under agenda item IV, “disposal of surplus Home Ownership Scheme (HOS) flats and PSPS flats”, members agreed to defer agenda item V, “procurement of services for public rental housing estates”, to the next regular meeting scheduled for 3 January 2005. They also agreed to discuss at the January meeting the financial position of the Housing Authority (HA) after the divestment of its retail and car-parking facilities.

IV Disposal of surplus Home Ownership Scheme flats and Private Sector Participation Scheme flats

(LC Paper No. CB(1)350/04-05(02) -- Information paper provided by the Administration

LC Paper No. CB(1)350/04-05(03) -- Background brief on “Disposal of surplus Home Ownership Scheme and Private Sector Participating Scheme flats” prepared by the Legislative Council Secretariat

LC Paper No. CB(1)350/04-05(04) -- Background brief on “Disposal of Hunghom Peninsula Private

LC Paper No. CB(1)350/04-05(05) -- Background brief on “Disposal of Kingsford Terrace Private Sector Participating Scheme flats” prepared by the Legislative Council Secretariat

4. Members noted the following papers tabled at the meeting –
- (a) Letter dated 3 December 2004 from Mr LEE Wing-tat to the Panel requesting the Administration to provide written information regarding payment of premium for redevelopment of Hunghom Peninsula not in accordance with the Master Layout Plan; and
 - (b) Submission dated 3 December 2004 from Wong Chuk Hang Estate Transfer Concern Group (黃竹坑邨關心調遷家庭小組) on the disposal of surplus HOS flats and PSPS flats.

(Post-meeting note: The above papers were circulated to members vide LC Paper Nos. CB(1)424/04-05(05) and (06) on 7 December 2004.)

5. The Secretary for Housing, Planning and Lands (SHPL) made an opening statement on the disposal of the Hunghom Peninsula flats. As regards paragraph 4(a) above, SHPL said that the Administration had not received any application from the developer of Hunghom Peninsula concerning redevelopment or lease modification. He hoped that the developer would respond positively to concerns expressed by the community.

(Post-meeting note: The opening statement was tabled at the meeting and circulated to members vide LC Paper No. CB(1)424/04-05(01) on 7 December 2004.)

6. At the request of Mr James TO Kun-sun and the Chairman, the Administration provided for the Panel’s reference the Conditions of Sale of the relevant lot and the Master Layout Plan of the Hunghom Peninsula development.

(Post-meeting note: The above papers were tabled at the meeting and circulated to members vide LC Paper Nos. CB(1)424/04-05(03) and (04) on 7 December 2004.)

Possibility of redevelopment at the time of negotiation with the developer

7. Ms Emily LAU Wai-hing questioned if the Administration was aware that the developer might redevelop the Hunghom Peninsula site when it briefed the Panel on the matter at the meeting on 17 February 2004. She sought to know why the Administration had not included any condition in the agreement for lease modification (the Agreement) to restrict the developer to redevelop Hunghom Peninsula. Dr KWOK Ka-ki shared her view.

8. In response, SHPL explained that the mediation concluded in December 2003. The developer broached the possibility of demolition and redevelopment in February 2004 after the lease modification had been finalised as a binding contract. The Administration was not aware of any intention on the part of the developer to redevelop Hunghom Peninsula during and upon conclusion of the negotiation. By the time it became aware of such intention through media reports, the terms and conditions of the lease modification had been agreed. It was not possible to include further conditions in the agreement to prohibit redevelopment. In response to public concern, the Administration explained to the developer the legal basis upon which the Director of Lands (D of Lands) could exercise discretion in approving applications for redevelopment or otherwise, and how the Administration interpreted the legal basis for the D of Lands having such discretion. While the developer might have different interpretation of the legal situation, the Administration believed its legal position was sound.

9. Ms Emily LAU referred the Administration to the chronology of events relating to the disposal of the Hunghom Peninsula flats, and pointed out that the preliminary agreement on lease modification was formalized only on 26 January 2004. In response to her on whether the Administration was then aware that the developer might demolish the flats and whether it was then already too late to impose restrictions on redevelopment, SHPL agreed to check and report back to the Panel in writing. He however reaffirmed that the relevant mediation was completed in December 2003.

Admin

(Post-meeting note: Information on timing of the finalized modification was provided to the Panel on 10 December 2004 and circulated to members vide LC Paper No. CB(1)469/04-05(01) on 10 December 2004.)

10. In this regard, Mr LEE Wing-tat recalled that before the Administration reached the preliminary agreement with the developer, he and several Members had met with the Administration and drew its attention to the possibility of the developer demolishing the Hunghom Peninsula flats. He sought to ascertain whether the Administration was aware of the developer's intention to demolish the flats at the time of negotiation, and whether it had taken actions to prevent such from happening. In response, SHPL pointed out that the concern about demolition did not arise at the time of lease modification. By the time the developer indicated the possibility of redevelopment, the terms and conditions of the lease

modification had already been agreed. The Administration could not include additional conditions in the agreement.

(Post-meeting note: SHPL met with Mr LEE Wing-tat and several Members on 11 February 2004 after the announcement of the conclusion of lease modification was made on 9 February 2004. On 26 January 2004, the Government and the developer entered into a binding contract to modify the Conditions of Sale for the Lot on the terms and conditions set out in the offer dated 21 January 2004.)

Conditions for redevelopment

11. Ms Audrey EU Yuet-mee cast doubt on whether clause 11(a) of the Special Conditions of the land lease and clause 7 of the General Conditions of the land lease could effectively prevent redevelopment of the Hunghom Peninsula site, as claimed by SHPL. According to her interpretation of the two clauses, as long as the developer would use the site for housing and ensure the total gross floor area would not exceed that of the original development, the developer could produce luxury flats. She urged the Administration to take the initiative to clarify the relevant legal points with the developer before the developer made an application to demolish the flats. Such an approach would obviate litigation. Messrs Ronny TONG Ka-wah, Frederick FUNG Kin-kee, LEUNG Yiu-chung, Abraham SHEK Lai-him and CHEUNG Man-kwong shared her views. In particular, Mr TONG opined that the deletion of certain conditions from the original land lease, such as specification of architectural design of the flats and number and sizes of units, in the lease modification seemed to facilitate the developer to redevelop the flats. Mr CHEUNG Hok-ming said that the developer might seek redevelopment by way of inadvertent loopholes in the Agreement.

12. In response, SHPL explained that the clauses deleted from the original land lease were for technical reasons only. He then elaborated that based on the Administration's legal advice, under clause 11(a) of the Special Conditions of the land lease, the Hunghom Peninsula site should not be developed or redeveloped except in accordance with the conditions of the land lease, the Master Layout Plan and the Approved Landscaping Proposals. Moreover, under clause 7 of the General Conditions of the land lease, the developer should maintain the buildings in accordance with the approved building plans without variation or modification. In the event of demolition of the buildings, either of the following two conditions had to be complied with -

- (a) the replaced buildings should be of the same type of the existing buildings and of no less gross floor area; or
- (b) the replaced buildings should be of such type and value as approved by D of Lands.

13. SHPL further explained that the Administration would process any redevelopment application from the developer in accordance with the relevant land lease and assess whether the application would entail a variation of the Master Layout Plan and the Approved Landscaping Proposals. Slight alterations that would not affect the overall layout plan would be allowed. However, major deviations such as reducing the number of buildings would not be permitted. This would mean that if the developer wanted to change the number of blocks, the disposition or height of the buildings, the project's gross floor area or the type of the buildings, the approval of the Lands Department would need to be secured. Where the building height exceeded the height limit of the relevant outline zoning plan, approval from the Town Planning Board would also be required.

14. Ms Emily LAU said that Members of The Frontier found the latest developments of the Hunghom Peninsula incident regrettable, and stated her wish that the Hunghom Peninsula flats would not be demolished. In reply to Dr KWOK Ka-ki on measures contemplated to prevent the developer from demolishing the Hunghom Peninsula flats, SHPL advised that the course of action would depend on the developer's next moves. As to Ms LAU's enquiry on the circumstances under which D of Lands would reject the application to redevelop Hunghom Peninsula, SHPL explained that each application would need to be considered on its own merits. Unless the relevant application details were known, it would be difficult to specify the circumstances under which the application would or would not be approved.

15. Mr James TO opined that if the Government considered it undesirable to demolish the Hunghom Peninsula flats, it should clearly state its stance. Messrs WONG Kwok-hing and Fred LI Wah-ming shared his views. Mr WONG also highlighted concern about the environmental implications of the planned demolition. Mr LI referred to concerns expressed by certain members of the Executive Council about the demolition.

16. In response, SHPL reiterated the points made in paragraph 12 above. He pointed out that the latest developments of the Hunghom Peninsula incident should be viewed from the perspective of the recovering property market and Hong Kong's economy. He stressed the need for the Administration to carefully address public concern about the present developments in a reasonable and sensible way. In consideration of the impact on the business reputation of Hong Kong and the rule of law, the Administration should not have any predetermined stance regarding the present developments.

17. Mr James TO asked whether, according to Government's legal advice, D of Lands could exercise power to reject the redevelopment application in consideration of grave public concern. Mr LEUNG Kwok-hung echoed his view and said that SHPL should propose to the Chief Executive to buy back the Hunghom Peninsula development. Mr Patrick LAU Sau-shing also enquired whether the Director of Buildings could prevent the developer from demolishing

the Hunghom Peninsula flats by refusing to approve the developer's application for demolition.

18. In response, SHPL stressed that any course of action had to be taken according to law and the relevant land lease and contract terms. Despite the powers elaborated in his opening statement, the Government had to exercise such powers with care and reason, and any decision in relation to the redevelopment application should be made on the basis of the prevailing circumstances and the details of the application. He could not make any undertaking at this stage on whether the redevelopment application would be rejected. As to the proposal to buy back the development, SHPL said that resumption of private property would need to be conducted according to the Lands Resumption Ordinance (Cap. 124), which provided that land could only be resumed for a fully justified public purpose. He also emphasized the need to exercise care in invoking the discretionary power of public officers in rejecting applications for demolition of buildings.

19. In reply to Mr WONG Kwok-hing on whether the developer could produce flats of larger sizes, SHPL explained that should the developer intend to produce flats of specifications different from the original ones, he would have to seek agreement of D of Lands. Should D of Lands agree and the redevelopment would enhance the value of the land, the developer would need to pay additional premium corresponding to the increase in value.

20. Dr YEUNG Sum recapitulated Members of the Democratic Party's concern about the tilt of interests towards the developer in negotiating the lease modification premium regarding the Hunghom Peninsula development. His views were echoed by Mr James TO Kun-sun. Pointing out that the requirement to pay additional premium would serve little purpose in preventing demolition and redevelopment, Dr YEUNG expressed regret that the Council for Sustainable Development could do nothing to prevent the developer from maximizing profits at the expense of the environment. Failing to achieve its mission to sustain development, it might as well be dissolved. In response, SHPL stressed that the Administration had never reached a secret deal with the developer concerning the lease modification. He believed that the developer would decide on the way forward in a responsible way with due regard to public concern. He also stressed that the Council for Sustainable Development was playing an indispensable role in ensuring sustainable development in various aspects. The Hunghom Peninsula case was an isolated incident. Dr YEUNG Sum was unconvinced. In his opinion, it was dangerous that developers could totally disregard the environmental implications in deciding to take certain actions notwithstanding they had the resources.

21. Ms Audrey EU and Mr Abraham SHEK enquired about the legal basis upon which the Administration could require the payment of additional premium from the developer for redevelopment of Hunghom Peninsula. In Ms EU's opinion, if the developer sought to change only the Master Layout Plan and not the

Conditions of Sale, they might not need to pay additional premium. In response, SHPL reiterated that where redevelopment of Hunghom Peninsula would enhance the value of land, additional premium would be charged in accordance with the established land policy. In this regard, the Deputy Law Officer (Civil Law) supplemented that as shown in a precedent case regarding Fairview Park, the Government had sound legal basis to charge additional premium for redevelopment.

22. Mr James TIEN Pei-chun stated that Members of the Liberal Party were concerned about the environmental implications of the Hunghom Peninsula incident and the likely transfer of interests to the developer at the expense of public money. In reply to him on how D of Lands would decide the amount of additional premium for redevelopment, SHPL said that if the site was redeveloped into luxury flats, the difference in value between a PSPS flat and a luxury flat would be used as the basis for working out the sum. The market fluctuations of property prices would not be a factor taken into account.

23. Noting the above explanations on D of Lands' power to vet redevelopment applications and require payment of additional premium, Mr WONG Kwok-hing, Ms Audrey EU and Mr Alan LEONG Kah-kit opined that the Administration should clearly explain its position and interpretation of the relevant contract terms to the developer given his announced plan to demolish the Hunghom Peninsula flats. In response, SHPL advised that the Administration had already written to the developer in this regard but the developer had not responded. Nevertheless, the Administration would continue to exchange views with the developer.

24. Mrs Selina CHOW LIANG Shuk-yee pointed out that the Administration had already stated at the 17 February 2004 Panel meeting that any redevelopment of Hunghom Peninsula would need to be in accordance with the approved Master Layout Plan for development of the lot as a PSPS development and would be subject to the normal application procedures and payment of a premium. She stressed the importance of ensuring consistency in Government policies, and said that whether changes to the Master Layout Plan should be approved had to be made in accordance with the established criteria. In reply to her on the definition of the word "type" as used in clause 7 of the General Conditions of the land lease, SHPL pointed out that if the buildings were redeveloped, it would need to be residential in nature. However, even if the redevelopment could meet the "type" requirement, if it would enhance the value of the development, the developer would need to pay additional premium.

25. Messrs WONG Kwok-hing and Mr Ronny TONG urged the Administration to make public all information about the disposal of the Hunghom Peninsula flats to address public concerns. In particular, Mr TONG said that the information should include the Administration's correspondence with the developer, and papers and minutes of internal meetings at which the disposal of the Hunghom Peninsula flats was discussed, so that Members could ascertain whether

the developer at the time of negotiation had indicated any wish to demolish the flats and whether the Administration had considered the environmental implications of such a move.

26. In response, SHPL opined that while transparency was important, great care had to be exercised in deciding whether to disclose the requested information. He highlighted the implications of disclosing immature internal deliberations, and said that Mr Ronny TONG's request would be considered in the light of the guidelines and principles under the Code on Access to Information. In this regard, Mr Ronny TONG opined that the information might be disclosed to members at a closed meeting.

Accountability

27. Mr Ronny TONG urged the Administration to heed public concern about whether the Administration had the legal power to reject application for redevelopment and who should be held accountable if the Administration could not prevent demolition. Mr LEUNG Yiu-chung opined that if the developer could eventually demolish the flats, there might have been negligence of duty on the part of certain Government officials in the handling of the Hunghom Peninsula case. Miss CHOY So-yuk and Messrs LEUNG Kwok-hung and CHEUNG Man-kwong shared his views. Mr CHEUNG, in particular, expressed regret that SHPL had shown no regret for the present developments of the Hunghom Peninsula case and the fact that the developer did not respond to his letter. He opined that SHPL and the Permanent Secretary for Housing, Planning and Lands (Housing) (PSH) should review the negotiation process to draw lessons from any mistakes committed. Miss CHOY, who declared interests as a member of the Council for Sustainable Development, also pointed out that the Agreement ran contrary to the concept of sustainability promoted by the Government.

28. In response, SHPL reiterated that the Administration was not aware of any intention on the part of the developer to demolish the Hunghom Peninsula flats at the time of negotiation and as such there was no question of negligence of duty. He also explained that the letter to the developer served only as a reminder of the relevant provisions and the developer might not necessarily need to respond. As to the lessons learnt, he pointed out that with hindsight, there might be room for improvement in the way the Administration had handled the disposal of the Hunghom Peninsula flats.

29. Mr Albert CHAN Wai-yip asked PSH whether he had played any role in making the decision in relation to the disposal of the Hunghom Peninsula flats, in particular the deletion of certain clauses from the original land lease. In response, SHPL stated that as the policy secretary under the Accountability System, he was responsible for making decisions under his policy portfolio.

Other views and comments

30. Mr Albert Jinghan CHENG opined that the agreed premium of \$864 million for the lease modification to allow the developer to dispose of the Hunghom Peninsula flats in the open market was pathetically low, especially as the amount was agreed at a time when the property market was picking up. Moreover, the Agreement had not settled the issue once and for all and there was still pending litigation from the developer to claim damages. In reply to him on the status of the litigation and the reasons for the failure to settle all claims through mediation, SHPL advised that the litigation was related to the developer's claims for damages arising from the alleged delay in nomination of the purchasers by the HA and alleged loss of income for the relevant retail and car-parking facilities owned by the developer.

31. Mr LEUNG Yiu-chung pointed out that the undesirable developments of the Hunghom Peninsula case, including the implications on the environment if the flats concerned were to be demolished, had its roots in the moratorium on the sale of HOS and PSPS flats. According to him, the moratorium had given rise to many problems and should be lifted. Miss CHAN Yuen-han opined that if the developer could not be prevented from demolishing the flats, the relevant laws should be amended. SHPL noted their views.

Motion

32. Mr James TO considered that a select committee should be set up to inquire into the Hunghom Peninsula incident and moved the following motion:

“本事務委員會建議立法會成立專責委員會調查政府出售紅灣半島事件。”

“That this Panel recommends that the Legislative Council set up a select committee to inquire into the Government's sale of Hunghom Peninsula.”

33. Introducing his motion, Mr James TO highlighted concerns raised at the meeting on 17 February 2004 about the manner in which the Hunghom Peninsula flats had been disposed. After considering the information provided by the Administration, he held the view that many questions over the circumstances and the terms of the sale remained unanswered. He proposed that a select committee be set up to inquire into the Government's sale of Hunghom Peninsula. In particular, he considered that there was a need to find out –

- (a) whether the Administration had considered the possibility of redevelopment of Hunghom Peninsula by the developer;
- (b) why the intention of the Administration to allow the developer more flexibility in refurbishing the units only but not in redevelopment was not reflected in legal documents; and

- (c) who was responsible for making the decision on the way the Hunghom Peninsula was disposed.

34. Mr James TO's proposed motion was seconded by Dr YEUNG Sum. Mr Albert CHAN opined that an additional meeting should be scheduled to allow thorough discussion before the Panel decided on the motion. Mr LEUNG Kwok-hung however considered it necessary to deal with the motion at this meeting. Mr Albert CHENG shared his view.

35. Mr Patrick LAU declared interests as member of HA, and said that he would abstain from voting on the proposed motion. He however urged the Administration to accede to members' request for more information. Mr Tommy CHEUNG also declared interests as member of HA but saw no need to abstain from voting because he did not perceive any conflict of interests.

36. Messrs Frederick FUNG, LEUNG Kwok-hung and Albert CHENG indicated support for the motion. They considered it necessary to set up a select committee to exercise its power under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) to require the Administration to produce all the relevant documents.

37. Mr Alan LEONG also indicated support for the motion but considered that the Administration should provide further information to clarify members' concerns before the Council decided whether a select committee should be appointed.

38. Mrs Selina CHOW indicated that Members of the Liberal Party did not see the need to set up a select committee. She opined that since the Administration was not withholding information and had agreed to consider members' request for further information, the matter could be further pursued by the Panel.

39. Mr Abraham SHEK declared interests as an independent non-executive director of NWS Holdings Limited, one of the developers concerned, and said that he would abstain from voting. He indicated that Members of The Alliance considered it not necessary to set up a select committee as the Administration had agreed to consider providing further information to address members' concerns.

40. The Chairman indicated that Members of the Democratic Alliance for the Betterment of Hong Kong (DAB) did not find sufficient grounds to support the motion at the present stage. DAB would decide after the Administration had provided further information and when the matter was considered by the House Committee and the Council. He called upon the Administration to be more forthcoming in providing further information. In this regard, he proposed and members agreed that members who wished to seek information from the Administration concerning the Hunghom Peninsula project should forward their requests to the Secretariat in writing. The Secretariat would then pass members' requests to the Administration for consideration.

(Post-meeting note: A circular inviting members to forward their requests for information in writing was issued vide LC Paper No. CB(1)431/04-05 on 7 December 2004.)

41. The motion was put to vote. 12 members voted for it. Three members voted against it. The motion was carried.

(Post-meeting note: A letter formally advising the Administration of the passing of the above motion was issued on 7 December 2004. The wording of the motion was also circulated to members vide LC Paper No. CB(1)424/04-05(02) on 7 December 2004.)

42. The Panel agreed that the proposal for the setting up of a select committee should be put to the House Committee for consideration.

(Post-meeting note: the Administration advised vide its letter dated 9 December 2004 that it would provide the information requested by members subject to the guidelines and principles under the Code on Access to Information. After consulting the majority of members of the Panel, the Chairman made a short verbal report at the House Committee meeting on 10 December 2004 that the Panel would decide the next course of action after receipt of further information from the Administration. A circular in this regard was issued to members on 9 December 2004 vide LC Paper No. CB(1)450/04-05.)

V Any other business

43. There being no other business, the meeting ended at 5:00 pm.