

**立法會**  
***Legislative Council***

LC Paper No. FC177/17-18

(These minutes have been  
seen by the Administration)

Ref : FC/1/1(18)

**Finance Committee of the Legislative Council**

**Minutes of the 37<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 5 May 2017, at 3:09 pm**

**Members present:**

Hon CHAN Kin-por, BBS, JP (Chairman)  
Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon LEUNG Kwok-hung  
Hon Claudia MO  
Hon Steven HO Chun-yin, BBS  
Hon Frankie YICK Chi-ming, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Hon LEUNG Che-cheung, BBS, MH, JP  
Dr Hon KWOK Ka-ki

Hon KWOK Wai-keung  
Hon Dennis KWOK Wing-hang  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Alvin YEUNG  
Hon Andrew WAN Siu-kin  
Hon CHU Hoi-dick  
Hon Jimmy NG Wing-ka, JP  
Dr Hon Junius HO Kwan-yiu, JP  
Hon HO Kai-ming  
Hon LAM Cheuk-ting  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai  
Hon SHIU Ka-chun  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan  
Dr Hon Pierre CHAN  
Hon CHAN Chun-ying  
Hon Tanya CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LUK Chung-hung  
Hon LAU Kwok-fan, MH  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Nathan LAW Kwun-chung  
Dr Hon YIU Chung-yim  
Dr Hon LAU Siu-lai

**Members absent:**

Hon Michael TIEN Puk-sun, BBS, JP (Deputy Chairman)  
Hon CHAN Han-pan, JP  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon Kenneth LAU Ip-keung, MH, JP

[According to the Judgment of the Court of First Instance of the High Court on 14 July 2017, LEUNG Kwok-hung, Nathan LAW Kwun-chung, YIU Chung-yim and LAU Siu-lai have been disqualified from assuming the office of a member of the Legislative Council, and have vacated the same since 12 October 2016, and are not entitled to act as a member of the Legislative Council.]

**Public officers attending:**

|                              |   |
|------------------------------|---|
| Ms Elizabeth TSE Man-yee, JP | Permanent Secretary for Financial Services and the Treasury (Treasury)                                  |
| Ms Carol YUEN, JP            | Deputy Secretary for Financial Services and the Treasury (Treasury)1                                    |
| Mr Alfred ZHI Jian-hong      | Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch) |
| Mr James LAU, JP             | Under Secretary for Financial Services and the Treasury   |
| Ms Jeanne FUNG               | Assistant Secretary for Financial Services and the Treasury (Financial Services) 6                      |

**Clerk in attendance:**

|              |                               |
|--------------|-------------------------------|
| Ms Anita SIT | Assistant Secretary General 1 |
|--------------|-------------------------------|

**Staff in attendance:**

|                  |                                   |
|------------------|-----------------------------------|
| Mr Derek LO      | Chief Council Secretary (1)5      |
| Ms Ada LAU       | Senior Council Secretary(1)7      |
| Mr Raymond SZETO | Council Secretary (1)5            |
| Mr Frankie WOO   | Senior Legislative Assistant (1)3 |
| Miss Yannes HO   | Legislative Assistant (1)6        |

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**Item No. 1—FCR(2017-18)2**

**CAPITAL INVESTMENT FUND**

**NEW HEAD—ASIAN INFRASTRUCTURE INVESTMENT BANK**

**New Subhead—"Capital Subscription in the Asian Infrastructure Investment Bank"**

The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

2. The Chairman said that this item invited the Finance Committee ("FC") to approve a commitment of HK\$6 billion for Hong Kong's subscription to shares in the Asian Infrastructure Investment Bank ("AIIB") (comprising HK\$1.2 billion for paid-in shares and HK\$4.8 billion for callable shares). On 16 March 2017, the Financial Services and the Treasury Bureau consulted the Panel on Financial Affairs on the relevant proposal. The Administration, in response to members' requests, provided four information papers for members' reference. Those papers had already been issued to members.

Motion to adjourn discussion on the item FCR(2017-18)2

3. At 3:10 pm, the Chairman said that FC would continue to deal with the motion moved by Mr LEUNG Kwok-hung at the last meeting for the adjournment of discussion on the item FCR(2017-18)2.

4. Mr LEUNG Kwok-hung introduced his motion. Mr LEUNG held that this item had no urgency and the Chairman should not have waived the notice period requirement arbitrarily to allow submission from the Administration. He also criticized the ruling made by the Chairman at the last meeting which ordered him to withdraw from the meeting.

5. Mr Nathan LAW, Ms Claudia MO, Mr CHAN Chi-chuen, Dr KWOK Ka-ki, Mr CHU Hoi-dick, Mr SHIU Ka-chun, Mr LEUNG Yiu-chung, Dr YIU Chung-yim and Mr Andrew WAN spoke in support of Mr LEUNG's motion. In essence, they considered that the Administration should withdraw this item and resubmit it in the future. They recalled that at the last meeting, while the Chairman decided to allow the Administration to correct a typo in its paper right on the spot, he refused to exercise discretion to waive the notice period requirement for Mr CHU Hoi-dick to propose motions under paragraph 21 of the Finance Committee Procedure ("FCP"). In their view, his decision was unfair to members and had imposed restrictions on FC. Those members also raised objection to the item for they had doubts as to how the local economy could actually benefit from the huge financial commitment of HK\$6 billion borne by the Administration for joining AIIB.

6. Mr CHU Hoi-dick considered that China's promotion of AIIB was similar to the building of military facilities on the South China Sea islands in the sense that both of them were strategies for external expansion. The Chairman disagreed with Mr CHU's comments on the South China Sea issue. Noting that the Chairman had commented on a member's speech, Mr LEUNG Yiu-chung and Mr Andrew WAN held that he might have undermined his neutrality as the Chairman.

7. Mr LEUNG Kwok-hung spoke in reply in respect of his motion. The Chairman put the motion to vote. At the request of members, the Chairman ordered a division and the motion was negated. The votes of individual members are set out in **Annex**.

#### Status of Hong Kong after joining AIIB

8. Mr Jeremy TAM and Mr LUK Chung-hung enquired about Hong Kong's status in AIIB. Under Secretary for Financial Services and the Treasury ("USFST") advised that Hong Kong, after joining AIIB, would become a member of the Board of Governors who would be entitled to vote. Hong Kong would also join one of the 12 constituencies (i.e. the constituency to which China belonged) represented in the Board of Directors and might also act as an Alternate Director or a consultant of its constituency.

#### Capital subscription for joining AIIB

9. Mr Jeremy TAM asked for the details of how the amount of capital subscription was calculated. Mr TAM opined that if Hong Kong would not stand any chance of becoming a Director of AIIB, it should only subscribe an amount of capital which met the threshold for joining the Board of Governors. Mr James TO expressed similar views.

10. Mr CHAN Chi-chuen and Ms Claudia MO asked when AIIB would draw on the callable capital of HK\$4.8 billion and whether this sum would be withheld and could not be used for other purposes.

11. Mr CHAN Chi-chuen enquired about the amount of paid-in capital which would be booked in the financial year 2017-2018.

12. USFST responded that:

- (a) the amount of capital to be contributed by Hong Kong for joining AIIB, i.e. HK\$6 billion, was calculated based on the relative share of the global economy of the relevant member. There was no such thing as a capital threshold;
- (b) the callable shares, valued at HK\$4.8 billion, would be a contingent liability. No payment would be made for the callable shares, unless AIIB needed to call on its members' callable subscriptions. To date, no multilateral development banks known had ever had to draw on its callable capital; and
- (c) the amount of paid-in capital to be entered as expenditure in the financial year 2017-2018 would depend on when AIIB would draw on such capital.

13. Mr LUK Chung-hung asked whether AIIB had any leftover shares for Hong Kong to increase its subscription amount. USFST replied that if Hong Kong wished to subscribed to more shares, it must wait until AIIB increased its capital.

Benefits for Hong Kong to join AIIB

14. Mr LEUNG Yiu-chung, Ms Claudia MO, Mr SHIU Ka-chun, Mr LEUNG Kwok-hung and Mr Nathan LAW queried whether AIIB could bring Hong Kong with tangible benefits. The five merits stated in paragraph 3 of the paper were the advantages of establishing AIIB but had no relevance to the participation of Hong Kong.

15. Mr LEUNG Yiu-chung and Ms Claudia MO were concerned that the sub-office, if set up in Hong Kong, would simply be an office serving AIIB without bringing any benefits to Hong Kong.

16. Mr Jeremy TAM asked whether Hong Kong would apply for loans from AIIB in the foreseeable future to launch large-scale infrastructure projects (e.g. the three-runway system project at the Hong Kong International Airport) or new town development projects, and enquired about the applicable interest rate and whether Hong Kong, as a member, could enjoy any concessions.

17. Mr LEUNG Yiu-chung questioned how the participation of Hong Kong in AIIB could be a good demonstration of the working of the "One country, two systems" principle.

18. USFST responded that:

- (a) Hong Kong, as an international financial centre, stood a good chance in its bid for AIIB to set up a sub-office here so as to benefit from AIIB's financing activities. Other AIIB members were also active in bidding for the establishment of such a sub-office. As a matter of fact, Hong Kong had benefited from the projects of the Asian Development Bank ("ADB") before;
- (b) although the decision-making of AIIB would mainly take place at its headquarters in Beijing, the sub-office, if set up in Hong Kong, could support the operation of AIIB by providing services such as financing management, debt issuance and training;
- (c) in view of the present economic situation and public finances of Hong Kong, there would be no need for Hong Kong to ask for loans from AIIB. As for the applicable interest rate, it would depend on the actual circumstances; and
- (d) Hong Kong would be the one and only non-sovereign member if it joined AIIB. Its participation in an international multilateral development bank would be a good demonstration of the working of the "One country, two systems" principle.

19. Mr SHIU Ka-chun held that Hong Kong should not join AIIB as it promoted transnational capitalism. He therefore objected to the item.

#### Operation of AIIB

20. Mr LUK Chung-hung supported Hong Kong in joining AIIB and expressed reservations about the attitude of some other members who raised multiple queries. In response to the question of Mr LUK, USFST said that members might refer to the written reply provided by the Administration in light of the enquiries made by a member on this item (Annex B to LC Paper No. FC122/16-17(04)) for information on the 12 projects which had already been approved by AIIB.

21. Mr Nathan LAW and Mr James TO queried whether the China-led AIIB was only meant to serve the Belt and Road Initiative. Mr LAW also asked whether all of the 12 approved projects involved the Belt and Road countries.

22. Mr Nathan LAW and Ms Tanya CHAN enquired about the projected returns on the approved projects. They were also concerned about the high risks involved in a number of those 12 approved projects. They wondered how Hong Kong could participate in the risk scrutiny of AIIB's investment projects in the future if Hong Kong would not have much say.

23. Ms Tanya CHAN enquired about the public officers of Hong Kong who would be tasked to participate in the operation of AIIB.

24. USFST responded that:

- (a) apart from the approved projects, there were some other projects pending approval and they did not involve any Belt and Road countries. AIIB had made it clear that it was not an institution established to serve the Belt and Road initiative;
- (b) AIIB, when approving projects, would mainly consider the need for local infrastructure development;
- (c) many of the approved projects were co-financed by ADB or the World Bank. Generally speaking, AIIB's Board of Directors would conduct due diligence to identify project risks. Hong Kong, should it have any views, enquiries or concerns, might inform the representative of its constituency who would then voice them to the Board of Directors; and
- (d) after joining AIIB, the Administration would review the manpower requirement for its participation in the operation of AIIB.

Other comments

25. Dr KWOK Ka-ki criticized the Chinese Government and the Hong Kong Government for ignoring the problem that a huge population in the Mainland and Hong Kong was living in poverty while they invested in overseas infrastructure development through AIIB.



26. USFST said that Hong Kong had not participated in the decisions made by China in respect of AIIB. Moreover, some of the member countries of AIIB were developing countries.

27. At 5:00 pm, the Chairman declared that the meeting be adjourned. The meeting ended at 5:00 pm.

Legislative Council Secretariat  
9 March 2018

點名表決 DIVISION: 1

日期 DATE: 05/05/2017

時間 TIME: 03:47:56 下午 PM

動議 MOTION: 動議中止議程文件 FCR(2017-18)2 的討論  
Motion that discussion on FCR(2017-18)2 be now adjourned

動議人 MOVED BY:

出席 Present : 51

投票 Vote : 50

贊成 Yes : 20

反對 No : 30

棄權 Abstain : 0

結果 Result : 否決 Negatived

個別表決如下 THE INDIVIDUAL VOTES WERE AS FOLLOWS:

| 議員   | MEMBER             | 投票 | VOTE    | 議員  | MEMBER             | 投票 | VOTE |
|------|--------------------|----|---------|-----|--------------------|----|------|
| 陳健波  | CHAN Kin-por       | 出席 | PRESENT | 葉建源 | IP Kin-yuen        |    |      |
| 涂謹申  | James TO           | 贊成 | YES     | 葛珮帆 | Dr Elizabeth QUAT  | 反對 | NO   |
| 梁耀忠  | LEUNG Yiu-chung    | 贊成 | YES     | 廖長江 | Martin LIAO        | 反對 | NO   |
| 石禮謙  | Abraham SHEK       |    |         | 潘兆平 | POON Siu-ping      | 反對 | NO   |
| 張宇人  | Tommy CHEUNG       | 反對 | NO      | 蔣麗芸 | Dr CHIANG Lai-wan  | 反對 | NO   |
| 李國麟  | Prof Joseph LEE    | 贊成 | YES     | 盧偉國 | Ir Dr LO Wai-kwok  |    |      |
| 林健鋒  | Jeffrey LAM        | 反對 | NO      | 鍾國斌 | CHUNG Kwok-pan     |    |      |
| 黃定光  | WONG Ting-kwong    | 反對 | NO      | 楊岳橋 | Alvin YEUNG        | 贊成 | YES  |
| 李慧琼  | Starry LEE         | 反對 | NO      | 尹兆堅 | Andrew WAN         | 贊成 | YES  |
| 陳克勤  | CHAN Hak-kan       | 反對 | NO      | 朱凱迪 | CHU Hoi-dick       | 贊成 | YES  |
| 梁美芬  | Dr Priscilla LEUNG | 反對 | NO      | 吳永嘉 | Jimmy NG           | 反對 | NO   |
| 黃國健  | WONG Kwok-kin      | 反對 | NO      | 何君堯 | Dr Junius HO       | 反對 | NO   |
| 葉劉淑儀 | Mrs Regina IP      | 反對 | NO      | 何啟明 | HO Kai-ming        | 反對 | NO   |
| 謝偉俊  | Paul TSE           | 反對 | NO      | 林卓廷 | LAM Cheuk-ting     | 贊成 | YES  |
| 梁國雄  | LEUNG Kwok-hung    | 贊成 | YES     | 周浩鼎 | Holden CHOW        | 反對 | NO   |
| 毛孟靜  | Claudia MO         | 贊成 | YES     | 邵家輝 | SHIU Ka-fai        | 反對 | NO   |
| 田北辰  | Michael TIEN       | 反對 | NO      | 邵家臻 | SHIU Ka-chun       | 贊成 | YES  |
| 何俊賢  | Steven HO          | 反對 | NO      | 柯創盛 | Wilson OR          | 反對 | NO   |
| 易志明  | Frankie YICK       |    |         | 容海恩 | YUNG Hoi-yan       |    |      |
| 胡志偉  | WU Chi-wai         | 贊成 | YES     | 陳沛然 | Dr Pierre CHAN     |    |      |
| 姚思榮  | YIU Si-wing        | 反對 | NO      | 陳振英 | CHAN Chun-ying     | 反對 | NO   |
| 馬逢國  | MA Fung-kwok       | 反對 | NO      | 陳淑莊 | Tanya CHAN         | 贊成 | YES  |
| 莫乃光  | Charles Peter MOK  |    |         | 張國鈞 | CHEUNG Kwok-kwan   | 反對 | NO   |
| 陳志全  | CHAN Chi-chuen     | 贊成 | YES     | 許智峯 | HUI Chi-fung       | 贊成 | YES  |
| 陳恒鏗  | CHAN Han-pan       |    |         | 陸頌雄 | LUK Chung-hung     | 反對 | NO   |
| 梁志祥  | LEUNG Che-cheung   | 反對 | NO      | 劉國勳 | LAU Kwok-fan       | 反對 | NO   |
| 梁繼昌  | Kenneth LEUNG      |    |         | 劉業強 | Kenneth LAU        |    |      |
| 麥美娟  | Alice MAK          |    |         | 鄭松泰 | Dr CHENG Chung-tai | 贊成 | YES  |
| 郭家麒  | Dr KWOK Ka-ki      | 贊成 | YES     | 鄭俊宇 | KWONG Chun-yu      |    |      |
| 郭偉強  | KWOK Wai-keung     | 反對 | NO      | 譚文豪 | Jeremy TAM         | 贊成 | YES  |
| 郭榮鏗  | Dennis KWOK        |    |         | 羅冠聰 | Nathan LAW         | 贊成 | YES  |
| 張華峰  | Christopher CHEUNG | 反對 | NO      | 姚松炎 | Dr YIU Chung-yim   | 贊成 | YES  |
| 張超雄  | Dr Fernando CHEUNG |    |         | 劉小麗 | Dr LAU Siu-lai     | 贊成 | YES  |
| 黃碧雲  | Dr Helena WONG     |    |         |     |                    |    |      |

秘書 CLERK