

政制及內地事務局  
政府總部  
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CONSTITUTIONAL AND MAINLAND AFFAIRS BUREAU  
GOVERNMENT SECRETARIAT  
EAST WING  
CENTRAL GOVERNMENT OFFICES  
2 TIM MEI AVENUE, TAMAR  
HONG KONG

20 January 2017

Council Business Division 1  
Legislative Council Complex,  
1 Legislative Council Road,  
Central, Hong Kong  
(Attn: Ms Ada LAU)

Dear Ms LAU,

**Finance Committee of the Legislative Council  
Follow-up to meeting on 13 January 2017**

Further to the captioned meeting on 13 January 2017, follow-up information as requested by Members and the Government's response is as follows –

- (a) *Item: Before the introduction of the Political Appointment System in 2002, the Government commissioned a consultant to make recommendations on the remuneration package for politically appointed officials (PAOs). Please advise the names and past profit/loss information of the 56 organisations whose Chief Executive Officers (CEOs) were included in the survey conducted by the consultant?*

**Response:** Before the introduction of the Political Appointment System in 2002, the Government commissioned a human resources consultant to conduct a survey on the remuneration of CEOs. The consultant invited a total of 140 organisations (including 77 private sector corporations, 13 public sector organisations and 50 professional services firms) to participate in the survey, among which 67 organisations (including 34 private sector corporations, 11 public sector organisations and 22 professional services firms) provided relevant remuneration information. Of these

organisations, 56 organisations (including 27 private sector corporations, 9 public sector organisations and 20 professional services firms) met the criteria set by the consultant, and their statistics were used by the consultant. However, the consultancy report did not specify the names of these 56 organisations.

We have listed the then 67 organisations which provided remuneration information to the consultant at the attachment. Based on public information from the annual reports of listed companies in Hong Kong, we have endeavoured to provide the profit/loss information announced by the private sector corporations among these organisations in the past five years. However, since some of the organisations had been acquired or restructured, and other organisations have not made public their annual reports in Hong Kong, we were unable to provide relevant information. Details are provided at the attachment.

- (b) *Item: Previous review reports released by the Independent Commission regarding the remuneration package of PAOs, and whether the recommendations therein considered the effectiveness of the Political Appointment System and the performance of PAOs.*

Response: The terms of reference of the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the Hong Kong Special Administrative Region (the Independent Commission) has since 2008 included carrying out a periodic review of the remuneration package for Officials under the Political Appointment System, say once every five years and normally about a year before the start of a new term of the HKSAR Government, and advising the Government accordingly. The Independent Commission's terms of reference does not cover reviewing the effectiveness of the Political Appointment System or the performance of PAOs. The Independent Commission's report regarding the remuneration package for PAOs serving in the fourth-term Government (2012-16) was published in May 2012 and uploaded for public inspection, details of which can be found at the link below (<http://www.cmab.gov.hk/cmab/en/upload/Annex.514e.pdf>).

The Independent Commission's report regarding the remuneration package for PAOs serving in the fifth-term Government (2016-20) has also been attached to the Finance Committee Paper FCR(2016-17)80 for Members' reference.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D.C. Cheung', with a long horizontal stroke extending to the right.

( D. C. CHEUNG )  
for Secretary for Constitutional and Mainland Affairs

Attachment

**67 organisations that provided information  
for the consultant's remuneration survey in 2002**

	Organisation	Annual report in HK (Y/N <sup>1</sup> )	Announced annual return as Profit (Y) / Loss (N)				
			2012	2013	2014	2015	2016
<b><u>Public Sector Organisations</u></b>		N/A					
1.	Hong Kong Hospital Authority						
2.	Hong Kong Housing Society						
3.	Hong Kong Monetary Authority						
4.	Hong Kong Mortgage Corporation						
5.	Hong Kong Securities & Futures Commission						
6.	Hong Kong Trade Development Council						
7.	KCR Corporation						
8.	Mandatory Provident Fund Schemes Authority						
9.	MTR Corporation						
10.	Tung Wah Group of Hospitals						
11.	Urban Renewal Authority						
<b><u>Private Sector Corporations</u></b>							
12.	Chevalier Construction	Y	Y	Y	Y	Y	Y
13.	Gammon Construction	N	-	-	-	-	-
14.	Shui On Construction Ltd	Y	Y	N	N	N	
15.	Amway China	N	-	-	-	-	-
16.	Lam Soon (HK) Ltd	Y	N	Y	Y	Y	Y
17.	Swire Coca-Cola Bottling Ltd	N	-	-	-	-	-
18.	CITIC Pacific Ltd	Y	Y	Y	Y	Y	-
19.	Hutchison Whampoa Ltd	Y	Y	Y	Y	-	-
20.	New World Services	Y	Y	Y	Y	Y	Y
21.	Dah Sing Financial Group	Y	Y	Y	Y	Y	-
22.	Hong Kong Exchanges and Clearing	Y	Y	Y	Y	Y	-
23.	HSBC Holding	Y	Y	Y	Y	Y	-
24.	Standard Chartered	Y	Y	Y	Y	Y	-
25.	AXA China Region	N	-	-	-	-	-
26.	CMG Asia	N	-	-	-	-	-
27.	Manulife (Int'l) Ltd	N	-	-	-	-	-
28.	Pacific Century Insurance	N	-	-	-	-	-
29.	DuPont China	N	-	-	-	-	-
30.	HAECO	Y	Y	Y	Y	Y	-
31.	South China Morning Post	Y	Y	Y	Y	Y	-

<sup>1</sup> Including organisations which had been acquired or restructured, or had not made public their annual reports in Hong Kong.

	Organisation	Annual report in HK (Y/N <sup>1</sup> )	Announced annual return as Profit (Y) / Loss (N)				
			2012	2013	2014	2015	2016
32.	Shangri-la Asia Ltd	Y	Y	Y	Y	Y	-
33.	Television Broadcasts Ltd	Y	Y	Y	Y	N	-
34.	Hang Lung Development Co. Ltd	Y	Y	Y	Y	Y	-
35.	Hysan Development	Y	Y	Y	Y	Y	-
36.	Giordano	Y	Y	Y	Y	Y	-
37.	Shun Hing Electronic Trading Co., Ltd	N	-	-	-	-	-
38.	Siemens	N	-	-	-	-	-
39.	Cathay Pacific Airways Ltd	Y	Y	Y	Y	Y	-
40.	Kowloon Motor Bus	Y	Y	Y	Y	Y	-
41.	Modern Terminals Ltd	Y	Y	Y	Y	Y	-
42.	OOCL (HK)	Y	Y	Y	Y	Y	-
43.	CLP Holdings Ltd	Y	Y	Y	Y	Y	-
44.	Hong Kong & China Gas	Y	Y	Y	Y	Y	-
45.	Hong Kong Electric Holdings	Y	Y	Y	Y	Y	-
<b>Professional Services Firms</b>							
46.	BDO McCabe & Lo	N	-	-	-	-	-
47.	Deloitte Touche Tohmatsu	N	-	-	-	-	-
48.	Ernst & Young	N	-	-	-	-	-
49.	Grant Thornton	N	-	-	-	-	-
50.	J Walter Thompson	N	-	-	-	-	-
51.	Leo Burnett	N	-	-	-	-	-
52.	Bain & Company (Hong Kong) Consulting	N	-	-	-	-	-
53.	PA Consulting	N	-	-	-	-	-
54.	Pricewaterhouse Coopers Consulting	N	-	-	-	-	-
55.	Atkins China Ltd	N	-	-	-	-	-
56.	Binnie Black & Veatch HK Ltd	N	-	-	-	-	-
57.	Maunsell Consultants	N	-	-	-	-	-
58.	Ove ARUP & Partners HK Ltd	N	-	-	-	-	-
59.	Scott Wilson	N	-	-	-	-	-
60.	Baker & McKenzie	N	-	-	-	-	-
61.	Clifford Chance	N	-	-	-	-	-
62.	Johnson Stokes & Master	N	-	-	-	-	-
63.	Kwok & Yih	N	-	-	-	-	-
64.	Woo, Kwan, Lee & Lo	N	-	-	-	-	-
65.	Centaline Properties	N	-	-	-	-	-
66.	Chesterton Petty	N	-	-	-	-	-
67.	Vigers Hong Kong Ltd	N	-	-	-	-	-