立法會
*Legislative Council*

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**Paper for the House Committee meeting on 30 January 2004**

**Report of the Subcommittee on proposed resolution under section 3(1) of the Loans Ordinance**

## Purpose

This paper reports on the deliberations of the Subcommittee on proposed resolution under section 3(1) of the Loans Ordinance (the Subcommittee).

## Background

2. The Government announced in the 2003-04 Budget its intention to dispose of or securitize $112 billion of assets in the next five financial years and set a target to raise an estimate of $21 billion in 2003-04. On 17 December 2003, the Secretary for Financial Services and the Treasury (SFST) gave notice that he would, at the Council meeting on 14 January 2004, move a resolution under section 3(1) of the Loans Ordinance (Cap. 61) to seek the Legislative Council (LegCo)'s approval to authorize the Government to raise up to $6 billion through securitizing its revenue from tolls on bridges and tunnels for the purposes of the Capital Works Reserve Fund established by resolutions passed under section 29 of the Public Finance Ordinance (Cap. 2). A LegCo Brief on the proposed securitization exercise and the proposed resolution was issued to all Members on the same day.

3. The Panel on Financial Affairs (FA Panel) was briefed on the proposed securitization exercise on 5 January 2004. Members expressed concern over the lack of details of the proposed securitization exercise provided by the Administration, such as the estimated costs, structure and target investors of the exercise, and recourse obligations of the Government. Members also expressed concern over a number of issues. After the FA Panel meeting, Hon Henry WU wrote to SFST on 6 January 2004 (LC Paper No. CB(1)727/03-04(01)), requesting the Administration to provide more detailed information about the proposed securitization exercise. The Administration's responses to the major concerns expressed by Members at the FA Panel meeting and to Mr Henry WU's letter were circulated to all Members vide LC Paper

No. CB(1)717/03-04(01) on 6 January 2004 and LC Paper No. CB(1)735/03-04(01) on 8 January 2004.

4. In response to some drafting issues raised by the Legal Service Division (LSD) of the LegCo Secretariat, SFST obtained the President's permission on 7 January 2004 to replace the original resolution with a modified one. LSD was satisfied that the legal effect of the modified version was substantially the same as that of the original one and that it had addressed the relevant drafting issues. The modified version is in **Appendix I**.

**The Subcommittee**

5. At the House Committee meeting on 9 January 2004, Members agreed that a subcommittee should be formed to study the modified version of the proposed resolution in detail. The Administration then withdrew the notice given for moving the proposed resolution at the Council meeting on 14 January 2004.

6. The Subcommittee met on 16 January 2004 and Hon CHAN Kam-lam was elected Chairman. The membership list of the Subcommittee is in **Appendix II**.

**The proposed resolution**

7. The proposed resolution would authorize the Government to borrow a sum or sums not exceeding $6 billion by way of securitizing Government revenue receivable from tolls on specified bridges and tunnels for the purposes of the Capital Works Reserve Fund. By virtue of section 5(3) of the Loans Ordinance, the sum or sums so borrowed and all interest and other charges thereon are charged upon and shall be payable out of the general revenues and assets of Hong Kong. The proposed securitization structure and indicative terms, which are set out in Annex B to the LegCo Brief, are subject to refinement after the Administration has engaged the arrangers for the execution of the transaction and after its discussion with the regulatory authorities and credit rating agencies during the next few months. In brief, the Government will issue, through a wholly-owned special purpose issuer (the Issuer), notes or other financial instruments (securitized bonds) backed exclusively by future revenue, over a limited period, from Aberdeen Tunnel, Cross-Harbour Tunnel, Lantau Link (comprising Tsing Ma Bridge, Ma Wan Viaduct and Kap Shui Mun Bridge), Lion Rock Tunnel, Shing Mun Tunnels, and Tseung Kwan O Tunnel. Notes or securitized bonds of different tenors (e.g. three years, seven years, ten years, etc.) will be issued. The indicative average maturity for different tranches of the notes or securitized bonds will be eight to nine years. Such notes or securitized bonds will entitle the investors to be paid annual or other periodic sums serviced from net revenue derived from the operation of the above toll bridges and tunnels. The Government will retain ownership of the above bridges and tunnels, and all of the Government's right to

the revenue from the bridges and tunnels will fully revert to the Government at the end of the securitization period.

8. As the Government will not guarantee the return to investors and the traffic volume of the toll bridges and tunnels, the Administration anticipates that arrangers and ultimately investors of the notes or securitized bonds may require the Government to disclose relevant information and provide certain undertakings in areas such as operations and transport policy. Key areas in respect of which the Administration might consider giving commitments to investors are set out in paragraph 7(a) to (f) and Annex C to the LegCo Brief. These include transport policy, toll adjustment risk, possible payment items by the Government, and insurance arrangements. These issues will be finalized by the Administration after the details of the offer structure have been confirmed and discussion with the regulatory authorities and credit rating agencies has been completed.

9. Subject to market conditions and the final structure and tenor to be agreed with the arrangers, the Administration expects that the proposed securitization will bring in one-off capital revenue of up to $6 billion.

**Deliberations of the Subcommittee**

10. At the Subcommittee meeting on 16 January 2004, members indicated their support for the objectives of the proposed securitization exercise. They however sought clarification from the Administration on the following issues:

(a) details of the proposed securitization exercise, including the estimated costs, maturity and interest rates of the notes or securitized bonds, target investors, Government's undertakings, etc.;

(b) impact of the proposed securitization exercise on Government transport policy, toll rates and the staff concerned; and

(c) whether the Administration has considered other alternatives to raise fund.

<u>Details of the proposed securitization exercise</u>

*Estimated costs*

11. The Subcommittee is advised by the Administration that the costs of arranging the securitization are expected to be similar to those of a conventional bond issue. These costs relate mainly to the initial expenses incurred in relation to the issuance of securitized bonds, such as fees paid to arranging investment banks, placing banks and brokers, legal and tax advisers and the credit rating agencies. Annual fees of the credit rating agencies for the securitization are also expected to be similar to

those for a conventional bond issue. Such costs will be finalized once the Government has appointed an arranger for the securitization. The estimated costs provided by the Administration are as follows:

(a) Ancillary expenses
Between HK$10 to 15 million plus arrangement fees, which will be expressed as a percentage of proceeds and subject to competitive bidding process by the short-listed banks. These expenses are typical of those required for securitizations and other bond offerings (including retail bond offerings) for a transaction of this size, and include the fees and expenses of legal advisers, credit rating agencies, accounting and tax advisers, transaction administrator and trustee, and other parties required to implement the securitization; and

(b) Annual incidental costs
Approximately HK$1.5 million per year, payable to the trustee acting in the interests of investors, to the Issuer's auditors, to the Hong Kong Monetary Authority's clearing house and to the credit rating agencies for their annual reviews and monitoring of the securitization for the benefit of investors.

*Maturity and interest rates*

12. On some members' enquiry about the respective percentages of the three-year securitized bonds, five-year securitized bonds and seven-year securitized bonds and their interest rates, the Subcommittee is advised by the Administration that the arrangement for the issue of tranches with different maturities is designed to match the shape of the cash flows of the bridges and tunnels concerned. Probably one-third to one-half of the securitized bonds would be of the tranches with five to seven years' maturity. In general, the bonds with a shorter maturity in the current market would be expected to have slightly lower interest rates. For the proposed securitization, one of the options being considered is that a combination of fixed and floating interest rates would be offered. While investors of short-term securitized bonds may prefer fixed interest rates, investors of longer term tranches may prefer floating interest rates.

*Target investors*

13. The Subcommittee notes that the Government's intention is to offer the securitized bonds to both retail and institutional investors. The Government expects that there will be an active secondary market for the trading of the securitized bonds before their maturity, facilitated by the availability of market-makers (mainly, the major banks or investment banks) for both retail and institutional investors.

14. On the question of the estimated percentage of retail investors, the Subcommittee is advised by the Administration that it would depend on the demand of the market at the time of issue. The Administration wishes that a significant part would go to retail investors given that the securitization exercise aims to, among other things, create a new investment instrument for investors and diversify the investment market. Some members share the Administration's view and suggest that higher priority be given to retail investors.

*Types of revenues involved*

15. The Subcommittee notes that the proposed resolution involves the securitization of Government revenue receivable from the tolls on any or all of the specified bridges and tunnels and such other Government revenue receivable from any or all of those bridges and tunnels as specified by the Financial Secretary (FS). The Subcommittee is advised by the Administration that "such other Government revenue" refers to non-toll revenue such as revenue from advertising. It occupies only a small portion of the total revenue receivable from the bridges and tunnels concerned.

*Assessment of market risks*

16. Some members are concerned whether the market in Hong Kong has the capacity to absorb HK$6 billion notes or securitized bonds. The Subcommittee is advised by the Administration that the securitization market in Hong Kong is one of the more developed and sophisticated markets in Asia, with the first securitization launched over 10 years ago in 1993. This is supported by a sound legal system and a highly liquid market for bonds and syndicated loans. In the last three months of 2003 alone, HK$6 billion of securitization were successfully closed in Hong Kong through two transactions (HK$3 billion mortgage backed securitization and HK$3 billion taxi and public light bus loans securitization). The advice from the Government's financial adviser is that the Hong Kong Dollar market has more than sufficient capacity to absorb the issuance of the HK$6 billion securitized bonds. However, the Government has not ruled out issuance of the securitized bonds in international markets and in foreign currencies, subject to further study. Having taken the views of the financial adviser and of other investment banks, the Government does not expect any unusual market risks in relation to the proposed securitization.

*Initial comments of credit rating agencies*

17. On members' concern about the initial comments of credit rating agencies, the Subcommittee is advised by the Administration that the Government and its financial adviser, the Hong Kong and Shanghai Banking Corporation Limited (HSBC), have consulted extensively with the major independent credit rating agencies (Standard & Poor’s, Moody’s and Fitch) about the possible rating for the proposed securitization. Feedback from all three major credit rating agencies is that, notwithstanding the absence of a Government guarantee, the proposed securitization will be rated as highly as AA- or Aa3 (which is the same as Government’s current

rating) in Hong Kong Dollars. In the Administration's view, such a rating level should ensure that the offering of the securitized bonds will be well received by investors, resulting in very competitive interest costs, akin to that which may be achieved by a conventional Government bond.

*Government's undertakings*

18. The Subcommittee notes that under the proposed securitization exercise, the Government will not be required to provide any guarantee on interest, principal or traffic volume. The Government will transfer the net toll revenues received from the bridges and tunnels concerned to support the repayment of principal and interest to the investors. In the Administration's view, the transaction will therefore not pose any cash flow problems to the Government. The securitization structure may establish, out of toll revenues transferred from the Government, a sinking fund in its accounts prior to the maturity dates of each class or tranche of securitized bonds. On the management of the sinking fund, the Subcommittee is advised by the Administration that it will be appointing a transaction administrator to provide the necessary services for receiving the toll revenues and paying the investors on time. There may also be a need to appoint a securities trustee to look after the interest of the investors.

19. On the question of whether the Government will disclose the sum accumulated in the sinking fund on a regular basis, the Subcommittee is advised by the Administration that under the proposed securitization exercise, the Government is required to make known to investors the performance of the securitized bonds. This may be done through publication of the relevant information on the website on a regular basis, say, once every six months.

20. Regarding some members' question of whether there is any top-up deficiency requirement for the Government when the cash flow from the asset is at risk, the Subcommittee notes the Administration's view that investors assume the risk that there may not be sufficient revenue from the bridges and tunnels concerned to repay the interest or principal on the securitized bonds (although the risk of such an event is remote given the very strong track record of performance, and the high credit ratings which will be assigned to the securitized bonds). The Government will set out clearly the risks to be borne by investors in the prospectus of the proposed securitization exercise. The Subcommittee also notes that the Government will not be required to top-up any cash if there is a shortfall from the toll revenues to repay the investors of the securitized bonds except in circumstances as described in paragraph 7 of the LegCo Brief, e.g. when the bridges and tunnels concerned are unable to operate normally and generate the expected revenue over a sustained period, of say several months, due to events which are directly or indirectly under Government's control. Such events may include failure of the operators to perform, failure of the Government to renew or appoint a replacement operator, toll adjustments and changes to transport policy.

21. Some members sought clarification from the Administration on whether the reduction in traffic volume caused by a change in transport policy and the suspension of the operation of tunnels caused by a change in environmental policy (e.g. replacement of ventilation systems in the tunnels to meet the new requirement) will be regarded as events which are directly under Government's control; whether it is necessary for the Government to seek funding approval from LegCo for making compensating payments to investors in such events; and whether there is any upper limit for the compensatory payments. The Subcommittee is advised by the Administration that the scenario under which the Government decides to close the tunnels concerned for whatever reasons and the related issues will be covered by the arrangements for the proposed securitization exercise.

*Selection of adviser or arranger*

22. On a member's concern about whether the appointment of HSBC as both the adviser and arranger for the proposed securitization poses an issue of possible conflict of interest, the Subcommittee notes the clarification made by the Administration that the Government has yet to appoint any arranger for the proposed securitization pending the outcome of consideration of this issue by LegCo. Selection and appointment of the arranger will be conducted through an open and competitive bidding process. Interested financial institutions will be assessed on the basis of a number of objective selection criteria made known to them before they submit their proposals. To ensure that this transaction can benefit from top quality financial advice available in the market, the financial adviser for the initial stage of the transaction is not restricted from competing for the arranger’s role. Given the above established, open and competitive selection procedures, the financial adviser will not be given any undue advantage because of its previous advisory appointment.

23. As regards the criterion of selecting the adviser and arranger, the Subcommittee is advised by the Administration that all institutions registered on the list of financial consultants maintained by the Treasury Branch of the Financial Services and the Treasury Bureau have been invited to express interest in being appointed as the adviser or arranger of the proposed securitization. The adviser was selected through an open and competitive process on the basis of the knowledge and experience of the institution in similar securitization transactions locally and/or overseas, experience and expertise of the proposed assignment team to carry out the work involved, history and financial position of the institution plus its commitment to Hong Kong and its fee proposal. A similar process is being undertaken for selection of the arranger in the near future subject to LegCo's approval of the proposed resolution.

*Financial Secretary's discretion*

24. The Subcommittee notes that under section 3(3) of the Loans Ordinance, FS shall cause a copy of the agreement between the Government and a lender in respect of sums borrowed under the proposed securitization to be laid on the table of LegCo as soon as practicable after the execution of the agreement. However, section 3(4) of the

Ordinance provides that FS may, in his absolute discretion, exclude the agreement from the application of section 3(3). Noting that the Administration intends to recommend FS to exercise the discretion, a member is concerned about what kind of information will be kept confidential and not be disclosed. The Subcommittee is advised by the Administration that the “agreement” in question refers to the agreements between the Government and individual investors, and that most of the information contained in the agreements will be included in the prospectus of the securitization exercise and therefore made known to the public. The only two issues that will be kept confidential for commercial reasons are the identity of the investors and the amount subscribed by each of them. The Administration agrees to report on the overall outcome of the securitization exercise to the FA Panel in due course.

Impact of the proposed securitization exercise

*Impact on transport policy*

25. On some members' concern about whether the possible need for the Government to provide undertakings to investors in transport policy insofar as it may affect the traffic flow of the bridges and tunnels concerned would restrain the Government’s power in formulating transport policy, the Subcommittee notes that the Administration will incorporate into the proposed securitization a mechanism to retain flexibility in the future implementation of Government transport policy. For example, the Administration will retain an option to exclude the Cross-Harbour Tunnel from the transaction altogether after an initial period to cater for possible development in the transport policy. The Administration will also incorporate into the proposed securitization a mechanism to minimize the tenor of the proposed securitized bonds.

26. Pointing out that the Secretary for the Environment, Transport and Works has committed to work on the optimization of the utilization of the three cross-harbour tunnels, some members urge the Administration to ensure that the securitization exercise would not affect the optimization plan. The Administration confirms that it would be careful in structuring the deal to ensure that the securitization would not erode any transport initiatives that are underway. Moreover, the Administration would exercise the option of taking out Cross-Harbour Tunnel from the securitization structure when there is a need to do so.

27. As the toll revenue from Cross-Harbour Tunnel accounts for 46% of the total toll revenue from the bridges and tunnels concerned, some members are concerned about the impact of the exclusion of Cross-Harbour Tunnel from the securitization structure on the Government and investors. The Subcommittee notes the Administration's view that if Cross-Harbour Tunnel is taken out at an early stage of the deal, the Government may have difficulties in servicing the various debt instruments and in maintaining the credit rating. If it is taken out at a later stage when the short-term bonds have reached their maturity, the Government's obligations to pay interest would be far less and the toll revenues from the remaining four tunnels and bridges

may be sufficient to service the remaining debts and to maintain the credit rating. However, the actual impact would depend on the circumstances at the time.

*Impact on toll adjustment*

28. Regarding members' concern about the impact of the proposed securitization exercise on toll adjustment, the Subcommittee is assured by the Administration that the ownership of the bridges and tunnels concerned, including the right to set or adjust toll rates, would continue to be retained by the Government. The securitization will not hinder the Government from adjusting toll rates should changes in policy require this to be done. If changes in toll rates result in changes in toll revenues, the following scenarios illustrate the impact of such changes on the Government and investors:

(a) If toll rates are changed by the Government, leading to an overall increase in total net toll revenue from the bridges and tunnels concerned:
   (i) investors will receive the same interest return and principal repayment over a shorter period of time; and
   (ii) the Government will receive the extra revenue at the end of the securitization period, and the securitization will be repaid over a shorter period.

(b) If toll rates are changed by the Government, leading to an overall decrease in total net revenue from the bridges and tunnels concerned:
   (i) if the decrease is greater than a certain threshold, the Government may be required to make certain payments to compensate investors for the impact of the revenue reduction, if any such reduction occurs. The Government will discuss with the arrangers and credit rating agencies, upon their appointment, the extent of the risk they would accept in relation to future toll adjustment; and
   (ii) investors will receive the same interest return and principal repayment as originally projected.

29. A member quotes a scenario under which the Government, for the purpose of optimizing the utilization of the three cross-harbour tunnels, increases the toll rate of Cross-Harbour Tunnel and reduces the toll rates of the Eastern Harbour Crossing and Western Harbour Crossing. The member is concerned whether after securitization, the Government may use the additional revenue generated from the toll increase from Cross-Harbour Tunnel to meet the shortfall in revenue from the remaining two Crossings. The Subcommittee is advised by the Administration that if the scenario leads to an overall decrease in total net revenue from the bridges and tunnels concerned, paragraph 28(b) above would apply. The Administration is urged to, in working out the detailed arrangements for the proposed securitization, ensure that flexibility is provided for the Government to implement the appropriate measures to optimize the utilization of the three cross-harbour tunnels.

30. On the definition of "a certain threshold" mentioned in paragraph 28(b)(i) above, the Subcommittee is advised by the Administration that it will discuss the issue with the credit rating agencies and the arranger after the appointment of the arranger.

*Impact on staff concerned*

31. Some members are concerned that the proposed securitization exercise might have impact on the management contracts of the bridges and tunnels concerned, and therefore on the pay and fringe benefits of the staff of the tunnels/bridges operators concerned. The Subcommittee is advised by the Administration that securitization is purely a financial arrangement for the purpose of turning future revenue from the assets concerned into proceeds received in one lump sum payment at present. It is very different from privatization and would not involve any change in ownership and management control. Nor would it have any impact on the users and operators of the bridges and tunnels, and staff of the operators concerned. The Administration confirms that securitization has nothing to do with the management of the bridges and tunnels and therefore does not affect the arrangement over the management contracts between the Government and the operators. It will not have any impact on the future management of the bridges or tunnels, and will not lead to any change in the Government’s requirements as stipulated in the management contracts. It will also not affect the format of granting new management contracts nor would it affect the assessment/evaluation standard and criteria. The Administration also confirms that it will not require the tunnels/bridges operators to cut the remuneration or fringe benefits of their staff because of the proposed securitization.

<u>Securitization and other fund raising alternatives</u>

32. On members' question of whether the Administration has considered other alternatives to raise funds, the Subcommittee is advised by the Administration that it has considered all the alternatives available to meet its funding and disposal objectives, including securitization, equity initial public offer (IPO) transactions and issuance of conventional Government bonds.

33. The Subcommittee notes the Administration's advice that unlike equity IPO transactions, the proposed securitization does not involve the sale of the bridges and tunnels concerned by the Government, or the issuance of shares in a company that owns the bridges or tunnels. The Government will retain full ownership of the bridges and tunnels concerned, including control over the arrangements with operators and the right to set toll rates/tariffs. If total revenue from the bridges and tunnels concerned exceeds expectations or increases substantially after securitization, the Government will retain the rights to any revenues generated in excess of the amount required to give investors their interest returns and principal repayment. Any future growth in toll revenue will, therefore, flow back to the Government, rather than to the investors. However, an equity IPO may significantly restrict Government’s ability to manage its transport policy and set toll rates, and would have direct impact on its relationship with

the bridges/tunnels operators. Furthermore, Government would not benefit from any future growth in toll revenues. An equity IPO is also likely to involve significantly greater time and costs to execute, and thus would not meet current objectives. The costs of an equity IPO include significantly higher initial arrangement, legal and accounting costs.

34. The Subcommittee is also advised by the Administration that a conventional Government bond would involve Government guaranteeing an interest return and ultimate repayment of principal to investors. This is not the case for securitized bonds. Although the interest costs of the securitization will be a function of market conditions, all things being equal, the rating of the securitized bonds should ensure access to the widest possible investor base, resulting in interest costs which are highly competitive with those for a conventional Government Bond notwithstanding the fact that the securitized bonds will not be guaranteed by the Government.

35. Having considered all available alternatives, the Government has concluded that the proposed securitization (in the structure and form set out in the LegCo Brief) provides an opportunity to achieve the objectives of the Government to raise one-off capital revenue for the Capital Works Reserve Fund, diversify investment choices to both retail and institutional investors in Hong Kong, and stimulate further development of Hong Kong's debt capital markets. This will benefit all market participants, including retail investors, by providing new and attractive investment alternatives. In the Administration's view, this will ultimately help maintain Hong Kong's position as an international financial centre, and a centre of sophistication and excellence in the debt capital markets.

**Further information provided by the Administration**

36. After the Subcommittee meeting, Hon Henry WU wrote to SFST on 20 January 2004 (LC Paper No. CB(1)842/03-04(01)), requesting the Administration to provide more detailed information about the proposed securitization exercise. The Administration's response (LC Paper No. CB(1)885/03-04(01)) was circulated to members of the Subcommittee and other Members on 28 January 2004.

**Recommendations**

37. The Subcommittee supports the modified version of the proposed resolution.

38. Subject to the House Committee's views, the Administration would give notice by 3 February 2004 for moving the modified version of the proposed resolution at the Council meeting on 18 February 2004.

**Advice sought**

39. Members are invited to support the recommendation of the Subcommittee in paragraph 38 above.

Council Business Division 1
Legislative Council Secretariat
28 January 2004

**Appendix I**

LOANS ORDINANCE

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**RESOLUTION**

(Under section 3(1) of the Loans Ordinance (Cap. 61))

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RESOLVED, in exercise of the powers conferred by section 3(1) of the Loans Ordinance, that the Government be authorized to borrow, for the purposes of the Capital Works Reserve Fund established by resolutions passed under section 29 of the Public Finance Ordinance (Cap. 2), a sum or sums not exceeding in total $6,000,000,000 or equivalent by way of securitizing Government revenue receivable from the tolls on any or all of the bridges and tunnels specified in the Schedule and such other Government revenue receivable from any or all of those bridges and tunnels as specified by the Financial Secretary.

SCHEDULE

1. Aberdeen Tunnel.
2. Cross-Harbour Tunnel.
3. Lion Rock Tunnel.
4. Shing Mun Tunnels.
5. Tseung Kwan O Tunnel.
6. Tsing Ma Bridge.
7. Ma Wan Viaduct.
8. Kap Shui Mun Bridge.

**附錄II**
**Appendix II**

## 根據《借款條例》第3(1)條
## 提出的擬議決議案小組委員會
## Subcommittee on
## proposed resolution under section 3(1) of the Loans Ordinance

### 委員名單
### Membership List

| | | |
|---|---|---|
| **主席**<br>**Chairman** | 陳鑑林議員, JP | Hon CHAN Kam-lam, JP |
| **委員**<br>**Members** | 李卓人議員 | Hon LEE Cheuk-yan |
| | 單仲偕議員 | Hon SIN Chung-kai |
| | 劉健儀議員, JP | Hon Miriam LAU Kin-yee, JP |
| | 石禮謙議員, JP | Hon Abraham SHEK Lai-him, JP |
| | 李鳳英議員, JP | Hon LI Fung-ying, JP |
| | 胡經昌議員, BBS, JP | Hon Henry WU King-cheong, BBS, JP |
| | 梁富華議員, MH, JP | Hon LEUNG Fu-wah, MH, JP |
| | 余若薇議員, SC, JP | Hon Audrey EU Yuet-mee, SC, JP |
| | (總數：9名委員)<br>(Total : 9 members) | |
| **秘書**<br>**Clerk** | 陳美卿小姐 | Miss Salumi CHAN |
| **法律顧問**<br>**Legal Adviser** | 馮秀娟女士 | Ms Connie FUNG |
| **日期**<br>**Date** | 2004年1月16日<br>16 January 2004 | |