

Tel: (852) 2810 2589  
Fax: (852) 2840 0569

7 May 2004

The Hon Miriam LAU Kin-yee, JP  
Chairman  
House Committee  
Legislative Council

Dear Ms Lau,

Proposed Issuance of Government Bonds  
- proposed resolution under Section 3(1)  
of the Loans Ordinance (Cap. 61)

On 30 April 2004, the House Committee decided to form a subcommittee to scrutinize the proposed resolution. The subcommittee will meet on 13 May to discuss the resolution. Subject to the subcommittee's support of the proposed resolution, the Administration proposes to move the resolution at the Council sitting on 19 May 2004, and would seek the President's waiver of the notice requirement. In this regard, I should be most grateful for the House Committee's support in principle, on an exceptional basis, for the President to grant the waiver.

There is no scheduled meeting of the House Committee between 13 May 2004 and 19 May 2004.

I am sure you would agree that the consideration of the proposed resolution by the Council should not be subject to any undue delay. Given the prevailing market conditions, our assessment is there is likely to be significant advantages to the taxpayers if the proposed issuance of Government bonds could be executed before the beginning of the Summer vacations. Having the proposed resolution considered and hopefully approved by the Council on 19 May 2004 (its last meeting in May) will give the Administration sufficient lead-time to prepare for the transaction and will certainly help to ensure that such a timetable is achievable.

Yours sincerely,

( Henry Tang )  
Financial Secretary