

立法會
Legislative Council

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**Subcommittee to Follow Up Issues Relating to the Three-runway System at
the Hong Kong International Airport**

**Minutes of the fourth meeting
held on Tuesday, 5 January 2016, at 8:30 am
in Conference Room 1 of the Legislative Council Complex**

Members present : Hon Andrew LEUNG Kwan-yuen, GBS, JP (Chairman)
Hon Dennis KWOK (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon CHAN Kam-lam, SBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Cyd HO Sau-lan, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Hon Albert CHAN Wai-yip
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Charles Peter MOK, JP
Dr Hon Kenneth CHAN Ka-lok
Hon Kenneth LEUNG
Dr Hon KWOK Ka-ki
Hon SIN Chung-kai, SBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon TANG Ka-piu, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Members absent : Hon Steven HO Chun-yin, BBS
Hon CHAN Han-pan, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Elizabeth QUAT, JP
Hon Tony TSE Wai-chuen, BBS

Attendance by invitation : Agenda item I

Transport and Housing Bureau

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr Andy YAU Pak-hang, JP
Head
(Airport Expansion Project Coordination Office)

Airport Authority Hong Kong

Mr Fred LAM Tin-fuk, JP
Chief Executive Officer

Mr Wilson FUNG Wing-yip
Executive Director, Corporate Development

Mr William LO Chi-chung
Executive Director, Finance

Clerk in attendance : Miss Mary SO
Chief Council Secretary (4)2

Staff in attendance : Ms Clara TAM
Assistant Legal Adviser 9

Mr Joey LO
Senior Council Secretary (4)2

Miss Vivian YUEN
Legislative Assistant (4)2

Action

I. Financial Arrangement Plan of the 3RS Project

LC Paper No. CB(4)399/15-16(01) -- Airport Authority Hong Kong's paper entitled "Financial Arrangement Plan of the Three-Runway System Project"

The Subcommittee deliberated (index of proceedings attached at **Annex**).

2. Members noted the following letters from members (Chinese version only) tabled at the table:

- (a) a letter dated 16 December 2015 from Mr WU Chi-wai requesting further information on the Airport Authority Hong Kong ("AAHK")'s response to issues raised by members at the meeting on 3 November 2015 [LC Paper No. CB(4)445/15-16(01)]; and
- (b) a letter dated 31 December 2015 from Mr LEE Cheuk-yan [LC Paper No. CB(4)445/15-16(02)], a letter dated 4 January 2016 from Mr SIN Chung-kai [LC Paper No. CB(4)445/15-16(03)] and a letter dated 5 January 2016 from Mr Dennis KWOK requesting supplementary information on the financial arrangement plan of the Three-runway System ("3RS") project [LC Paper No. CB(4)445/15-16(04)].

Discussion

The 3RS financial arrangements consultancy study

3. Mr Kenneth LEUNG noted that The Hongkong and Shanghai Banking Corporation Limited ("HSBC") was both engaged by AAHK to conduct (a) a financial feasibility assessment study as part of the Master Plan 2030 ("MP2030") and (b) a study on the possible financial arrangement plan for implementing the 3RS project in 2009 and 2013 respectively. The HSBC's reports were published in 2011 and 2015 respectively. Mr LEUNG asked whether the engagement of HSBC in the aforesaid two studies were through tendering. Executive Director, Finance, AAHK replied in the positive. Responding to Mr LEUNG's further enquiry on the criteria adopted by AAHK in the selection of tenderers for the aforesaid two studies, Executive Director, Finance, AAHK said that the shortlisting criteria included proven experience and capability and price.

4. Mr WU Chi-wai noted that the financial internal rate of return "IRR" which could be generated from the 3RS had increased from 3%, as mentioned in the 2011 HSBC's financial report, to 8% in the 2015 HSBC's financial report. Mr WU asked about the reason(s) for such increase.

5. Chief Executive Officer, AAHK ("CEO, AAHK") explained that the purposes of the 2011 and 2015 HSBC's financial reports were different in that the purpose of the former was to study the financial feasibility for both the Two-runway System and the 3RS as development option under MP2030, whereas the latter was to study the financial arrangement plan for the 3RS project. CEO, AAHK further explained that under the MP2030 financial feasibility study, the source of funding was yet to be concluded. Besides, the higher IRR in the latest study was mainly because of changes in certain major assumptions such as higher traffic forecast, better revenue projection and incremental revenue from airport construction fee, etc. The assumption on profit retention was also different under the two respective studies. A summary of the key differences between the 2011 and 2015 HSBC's financial reports were set out in Annex A to LC Paper No. CB(4)399/15-16(01).

AAHK

6. Mr WU Chi-wai requested AAHK to provide information on change of Weighted Average Cost of Capital of AAHK from 10%, referred to in the 2011 HSBC's financial report, to 8% referred to in LC Paper No. CB(4)399/15-16(01). CEO, AAHK agreed to provide the information after the meeting.

7. Mr LEE Cheuk-yan queried whether the assumptions used by HSBC in its 2015 financial report for the 3RS project were reasonable, as many of these assumptions were made by AAHK and the consultants engaged by AAHK.

8. CEO, AAHK responded that as explained in the 2015 HSBC's financial report, HSBC had considered the reasonableness of all assumptions before adopting them in its study.

The 3RS financial arrangement plan

9. Mr LEE Cheuk-yan said that instead of levying an Airport Construction Fee ("ACF") as one of the sources to fund the 3RS project, AAHK should bridge the funding gap by further increasing airport charges.

10. CEO, AAHK responded that only 18% of the funding for the 3RS project would be sourced from ACF. CEO, AAHK further said that AAHK intended to optimize all its revenue sources, including raising the landing and parking charges to the level of 15 years ago when the landing and parking charges were

reduced by 15% in 2000 due to the Asian Financial Crises, with subsequent airport charges increases to be introduced in line with inflation.

11. Mr Michael TIEN said that setting a rate of \$90 for short-haul economy passengers represented a high percentage of the air ticket price, whereas setting a rate of \$180 for long-haul premium passengers represented a very low percentage of the air ticket. Mr TIEN urged AAHK to re-consider setting a higher rate for long-haul premium passengers and a lower rate for short-haul economy passengers, albeit this might lengthen the time for AAHK to repay all 3RS-related borrowings.

12. CEO, AAHK responded that setting a higher rate for long-haul premium passengers and a lower rate for short-haul economy passengers would adversely impact on the cashflow requirement, and this in turn would push AAHK to borrow beyond the practical borrowing limit during the 3RS construction period.

13. Mr TANG Ka-piu asked when AAHK planned to levy and discontinue to levy ACF.

14. CEO, AAHK responded that AAHK hoped to levy ACF in mid-2016, once all 3RS statutory gazettal processes were completed. CEO, AAHK further said that AAHK would discontinue to levy ACF after all 3RS-related borrowings had been repaid, the timing of which was forecast to be by 2030-2031. AAHK would review the timing for the cessation of ACF in 2023-2024, as the financial situation of AAHK should become clearer following the completion of the 3RS project then.

15. Although the overall airport charges of Hong Kong International Airport ("HKIA") ranked 55th amongst the 56 international airports studied, Mr YIU Si-wing asked whether consideration could be given to implementing the increase in airport charges in phases.

16. CEO, AAHK responded that AAHK was currently discussing with airlines the proposed increase of airport charges to be targetted for implementation in 2016-2017. The discussion thus far had been smooth. CEO, AAHK further said that some airlines did indeed suggest increasing the airport charges in phases. AAHK was open-minded to the suggestion, so long as the total amount of charges to be received by AAHK remained unchanged.

17. Mr YIU Si-wing noted that although the 3RS project was planned for completion in 2023-2024, the Third Runway was planned for commissioning by around 2020-2021 upon which the existing North Runway would cease operation temporarily for modification before becoming the new Centre Runway.

As the Third Runway and the existing South Runway would be some three kilometres apart, there might be a greater runway capacity gain than as the wide distance between the Third Runway and the existing South Runway might be able to support independent mixed mode operation (i.e. each runway could accommodate both take-off and landing concurrently and separately). Mr YIU asked whether the financial arrangement plan of the 3RS project had taken into account the traffic growth generated by an increase in runway capacity, and hence increase in AAHK's revenues, by 2020-21. CEO, AAHK replied in the negative. That said, should the commissioning of the Third Runway generate greater traffic, the additional revenues would help towards AAHK repaying its debts for implementing the 3RS project.

18. Mr CHAN Kin-por hoped that AAHK would allocate a larger portion of its borrowings for funding the 3RS in the form of retail bonds to allow more members of the public to participate and be engaged in the 3RS project. Mr CHAN pointed out that with savers receiving zero or near zero interest rate from their deposits, for AAHK to offer retail bonds at an interest rate equal or approximate to its borrowing costs at 5% (5% per annum is the assumption of cost of borrowing in the financial model throughout the period) for the 3RS would be a welcome move for the people of Hong Kong.

19. CEO, AAHK responded that AAHK would shortly engage a financial consultant to draw up a comprehensive plan on the financial arrangement plan for the 3RS project this year. Subject to the recommendation of the study, it was AAHK's plan to offer some of its bonds to Hong Kong residents. It should however be pointed out that the cost for issuing retail bonds would be higher than the costs for using other sources of raising debts because the tenor of retail bonds was likely to be short when compared to the long term nature of the institutional bonds and the pricing might be less competitive when compared to other sources, such as borrowing from the banks and maintaining revolving credit facilities. As such, a balance needed to be struck on allowing public participation on the one hand and keeping the borrowing costs at affordable and reasonable levels on the other. CEO, AAHK further clarified that AAHK might not offer an interest rate of 5% per annum for the retail bonds to fund the 3RS project, as the 5% borrowing costs for the 3RS project were only an assumption and a lenient one, in anticipation of a rise in interest rate.

20. Mr WU Chi-wai urged AAHK to consider also raising debts for the 3RS project through the Mandatory Provident Fund ("MPF") Authority, so as to benefit participants of MPF schemes. CEO, AAHK agreed to convey Mr WU's suggestion for consideration by the external financial consultant to be engaged by AAHK to draw up a comprehensive plan on the financial arrangement plan for the 3RS project this year.

Financial return

AAHK

21. Mr SIN Chung-kai requested AAHK to provide detailed information on how HSBC came up with (a) an IRR of around 8% and (b) the net present value for the 3RS. CEO, AAHK undertook to follow up with HSBC on providing the requested information, insofar as such provision would not divulge confidential/sensitive materials, after the meeting.

Financial advisor's opinion on the 3RS financial arrangement plan

22. Mr Jeffrey LAM noted that one of the funding sources of the 3RS project was through raising incremental debts of \$69 billion from the market. In the light of this, Mr LAM asked about the action(s) that AAHK would take should the 3RS project experience significant cost overrun.

23. CEO, AAHK responded that according to the 2015 HSBC's financial report, AAHK should be able to raise \$69 billion based on AAHK's financial capability and excellent credit rating. CEO, AAHK further said that HSBC had undertaken "what-if" analysis to test the financial robustness and prudence of the 3RS financial arrangement plan by assessing the impact of potential downside scenarios on the financial position of AAHK, including:

- (a) decline in all revenues of up to 15%;
- (b) overspend on capital cost of up to 20%;
- (c) overspend on capital cost of up to 50%;
- (d) single adverse event e.g. similar to the SARS outbreak in 2003; or
- (e) up to a 2% increase in the cost of borrowing.

HSBC concluded that in the event that these downside scenarios were to occur, AAHK would still be able to raise further debt to fund the consequential funding shortfall.

24. Mr Kenneth LEUNG enquired about the differences between the downward scenario of a decline in all revenues of up to 15% and that of a single adverse event used by HSBC to test the financial robustness and prudence of the 3RS financial arrangement plan.

25. Executive Director, Finance, AAHK explained that the downward scenario of a decline in all revenues up to 15% meant a decline of AAHK's revenues across the board throughout the entire period in the financial model,

whereas that of a single adverse event, likened to the SARS outbreak in 2003 meant, amongst others, a decline in the number of passengers and aircraft movements over a short period handled by HKIA. Executive Director, Finance, AAHK further explained that apart from the differences in the terms of scope and severity of the decline between the aforesaid two downside scenarios, the time required for AAHK to bounce back from the decline would also differ.

26. Responding to Mr Kenneth LEUNG's enquiry about the credit rating of AAHK should one of the five downside scenarios mentioned in paragraph 23 above were to occur, Executive Director, Finance, AAHK said that the answer could only be given by the rating agencies. That said, based on the current methodology adopted by the rating agencies to make their ratings, AAHK was expected to maintain an investment grade rating if one of five aforesaid downside scenarios were to occur.

27. Mr YIU Si-wing asked about the amount of increase to the cost of the 3RS project in the event of delay in embarking on the project due to reasons such as judicial review. CEO, AAHK replied that a one year delay in implementing the 3RS project would increase the project cost by \$7 billion.

28. Dr KWOK Ka-ki said that the financial arrangement plan of the 3RS project presented by AAHK only reported what was good whilst holding back what was unpleasant. For example, AAHK did not address the following made in the 2015 HSBC's financial report:

- (a) paragraph 6.1.2.3 mentioned that there were a number of factors that could be downside risks to the assumption made by International Air Transport Association Consulting that passengers would continue to travel from the Pearl River Delta ("PRD") in large (and growing) numbers to fly out of Hong Kong. These factors included if Guangzhou airport, being as one of the three designated international hubs in China, was successful in more aggressively growing its international traffic; and the faster-than-expected development in the Greater PRD airports (including Shenzhen airport) in terms of increasing capacity and flight availabilities;
- (b) paragraph 6.1.3 mentioned that there were still a number of key risks remained with respect to the estimation of capital expenditure; and
- (c) Chart 12 showed that the total debt of AAHK as at 2023-2024 would increase from \$77 billion to \$141 billion if the capital cost for the 3RS project increased up to 50%.

In respect of (c), Dr KWOK said that such a downside scenario was not unlikely as had happened in the construction of the Liantang/Heung Yuen Wai Boundary Control Point.

29. CEO, AAHK responded that Chart 12 in the 2015 HSBC's financial report was a summary of the "what if" analysis to test the financial robustness and prudence of the 3RS financial arrangement plan. CEO, AAHK reiterated that HSBC concluded that in the event that the downside scenarios, including if the capital cost rose up to 50%, were to occur, AAHK would still be able to raise further debts to fund the consequential funding shortfall, albeit this might result in a downgrading of AAHK's credit rating and an increase in borrowing costs. AAHK would endeavour to minimize the risk of overspend of capital expenditure cost for the 3RS project. CEO, AAHK further said that AAHK did not intend to seek financial support from the Government in the event of significant cost overrun.

AAHK 30. At the request of Dr KWOK Ka-ki, CEO, AAHK agreed to provide information on the key risks which still remained with respect to capital expenditure cost estimated risk referred to in paragraph 6.1.3 of the 2015 HSBC's financial report.

31. Mr LEE Cheuk-yan asked about the measures that AAHK would take in case of downside situations which had a more severe financial impact those considered in paragraph 23 above.

32. CEO, AAHK responded that as recommended by HSBC, AAHK would revisit its financial plan for the 3RS project. AAHK might look to develop other revenue streams or access alternative forms of financing other than senior debt. CEO, AAHK further said that AAHK would take all precautionary steps to reduce the chance of happening of the downside scenarios as described in paragraph 23 above.

AAHK 33. Mr WU Chi-wai requested AAHK to provide information on the measures AAHK would take in the event that a funding shortfall beyond the five potential downside scenarios assessed by HSBC in paragraph 23 above were to occur.

34. Mr Albert CHAN said that the materials provided by AAHK on the 3RS financial plan were not detailed and comprehensive enough to convince/assure members that AAHK was able to self-finance the 3RS project. Mr CHAN asked whether the Government, being the sole shareholder of AAHK, would provide funding to AAHK in the event AAHK encountered difficulties in repaying the borrowings for the 3RS project.

35. Under Secretary for Transport and Housing ("USTH") responded that the independent financial consultant engaged by the Government had confirmed that the financial arrangement plan for the 3RS project was viable. Financial support/guarantee from the Government would not be required.

36. Dr KWOK Ka-ki asked whether the Government held no responsibility over AAHK, say, in the event of cost overrun of the 3RS project.

37. USTH responded that being the sole owner of AAHK, the Government had the responsibility to ensure the smooth implementation of the 3RS project, including compliance with relevant statutory requirements. However, the Government was not required to provide financial support or guarantee to AAHK.

Legal basis for levying ACF under the Airport Authority Ordinance (Cap. 483) ("AAO")

38. Mr Dennis KWOK said that it was unclear whether section 7(1) and (2) of AAO provided the statutory power for AAHK to levy the new ACF. In his view, AAHK should have applied section 34 of AAO to levy ACF, as it had been done in 1998 to levy a scheme of airport charges (including a Terminal Building Charge ("TBC") at \$39 per departing passenger, excluding transit passengers) which were subject to approval by the Chief Executive-in-Council ("CE-in-Council") and the by-laws concerned subject to scrutiny by the Legislative Council ("LegCo").

39. CEO, AAHK explained that section 34 of AAO did not apply to ACF because section 34 of AAO only concerned "airport charges" which were specially defined in section 2 of AAO. As made clear in section 2 of AAO, the definition of "airport charges" only "means charges payable in connection with the landing, parking or taking off of airport at the Airport". CEO, AAHK further explained that TBC was not levied at passengers, but was used for calculating fees chargeable to airlines if their passengers used the facilities at the main airport's Passenger Terminal Building. CEO, AAHK pointed out that according to legal opinion, section 7 of AAO provided statutory power for AAHK to levy any fees, except airport charges, without the prior approval from CE-in-Council and scrutiny by LegCo so long as such fees met the objective set out in section 5(1)(a) of AAO which stated that AAHK "shall, in accordance with this Ordinance and also in accordance with the objective of maintaining Hong Kong's status as a centre of international and regional aviation, provide, operate....., develop and maintain, at... Chek Lap Kok, an airport for civil aviation".

AAHK

40. At the request of Mr Dennis KWOK, CEO, AAHK undertook to consider providing the relevant legal opinion on the basis of levying the new ACF under AAO.

41. Dr Kenneth CHAN expressed concern that if section 7 of AAO empowered AAHK to levy ACF, AAHK would raise the charging levels of ACF as it saw fit later on during the construction period.

42. CEO, AAHK affirmed members that the charging levels of ACF would remain unchanged throughout the collection period, i.e. until all the 3RS-related borrowings had been repaid.

Cost control

43. As a combination of non-dredged reclamation methods would be used to form 650 hectares of land north of the existing airport island and having regard to the fact that such technique had never been used in Hong Kong before, Mr Jeffrey LAM asked about the measures that would be taken by AAHK to ensure that the reclamation works would be completed within budget and on time.

44. CEO, AAHK responded that AAHK had taken the following precautionary measures to ensure reclamation works for the 3RS project, which comprised a large component of the project cost, would be completed within budget and on time. First, over 650 ground investigations of the reclamation area had been conducted by AAHK in the past two years to fully understand the general ground conditions of the reclamation area. Second, specialist contractors from South Korea and Japan etc. were engaged by AAHK to conduct trial tests on the use of Deep Cement Mixing, a ground improvement technique for the non-dredged method, for the 3RS reclamation works, the results of which were positive. Third, independent experts were engaged by AAHK to ascertain the feasibility of the 3RS reclamation design.

45. In view of the delay in the construction of the artificial island of the Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities which was being constructed with a non-dredged reclamation method, Ir Dr LO Wai-kwok asked about the measure(s) that would be taken by AAHK to prevent delay in the reclamation works for the 3RS.

46. CEO, AAHK referred members to the ground improvement works as well as land and seawall formation works that would be undertaken by AAHK to ensure against delay and cost overrun of the 3RS project, details of which were set out in paragraphs 9 to 15 of LC Paper No. CB(4) 275/15-16(01) issued for the meeting of the Subcommittee on 1 December 2015. CEO, AAHK added

that AAHK was in the process of preparing for the diversion of the undersea power cables and aviation fuel pipelines in preparation for the 3RS.

II. Any other business

Date of next meeting

47. The Chairman said that the next meeting of the Subcommittee would be held on 16 February 2016 at 4:30 pm to discuss "Mitigation and Enhancement Measures in connection with the Conservation of Marine Ecology and Chinese White Dolphins".

48. There being no other business, the meeting ended at 10:26 am.

Council Business Division 4
Legislative Council Secretariat
3 February 2016

**Subcommittee to Follow Up Issues Relating to the Three-runway System at
the Hong Kong International Airport**

**Proceedings of the fourth meeting
on Tuesday, 5 January 2016, at 8:30 am
in Conference Room 1 of the Legislative Council Complex**

Time Marker	Speaker(s)	Subject(s)	Action required
Financial Arrangement Plan of the 3RS Project			
000658 – 000916	Chairman	Welcoming remarks	
000916 – 000935	Administration	Opening remarks	
000935 – 002011	AAHK	Briefing by Airport Authority Hong Kong ("AAHK") on the financial arrangement plan of the Three-runway System ("3RS") project	
002011 – 002459	Mr Dennis KWOK AAHK	AAHK was requested to provide legal opinion on the basis of levying the new Airport Construction Fee ("ACF") under the Airport Authority Ordinance (Cap. 483)	Para. 40 of the minutes refers
002459 – 003010	Mr Jeffrey LAM AAHK	Declaration of interest Cost overrun of the 3RS project	
003010 – 003523	Mr Kenneth LEUNG AAHK	The 3RS financial arrangements consultancy study Financial advisor's opinion on the 3RS financial arrangement plan	
003523 – 004030	Mr SIN Chung-kai AAHK	The 3RS financial arrangement plan Procurement of marine sand	
004030 – 004600	Ir Dr LO Wai-kwok AAHK	Reclamation works of the 3RS project	
004600 – 005128	Mr YIU Si-wing AAHK	The 3RS financial arrangement plan Levying of airport charges	
005128 – 005537	Mr CHAN Kin-por AAHK	Issuance of retail bonds	
005537 – 010053	Dr KWOK Ka-ki AAHK	Financial advisor's opinion on the 3RS financial arrangement plan	

Time Marker	Speaker(s)	Subject(s)	Action required
010053 – 010621	Mr WU Chi-wai AAHK	Differences in the financial internal rate of return ("IRR") mentioned in the 2011 and 2015 HSBC's financial reports AAHK was requested to provide information on change of Weighted Average Cost of Capital from 10% to 8% Issuance of bonds	Para. 6 of the minutes refers
010621 – 011235	Mr Albert CHAN Administration Chairman	Financial undertaking by the Government for the 3RS project	
011235 – 011744	Dr Kenneth CHAN AAHK	Levying of ACF	
011744 – 012301	Mr LEE Cheuk-yan AAHK	The 3RS financial arrangement plan	
012301 – 012725	Mr TANG Ka-piu AAHK Chairman	Levying of ACF	
012725 – 012824	Mr SIN Chung-kai AAHK	AAHK was requested to provide detailed information on how The Hongkong and Shanghai Banking Corporation Limited ("HSBC") came up with (a) an internal rate of return of around 8% and (b) the net present value for the 3RS	Para. 21 of the minutes refers
012824 – 013155	Mr LEE Cheuk-yan Chairman AAHK Administration	Financial advisor's opinion on the 3RS financial arrangement plan	
013155 – 013650	Dr LAM Tai-fai AAHK	The 3RS financial arrangement plan	
013650 – 013959	Mr Albert CHAN Administration	Financial undertaking by the Government for the 3RS project	
013959 – 014216	Mr WU Chi-wai Chairman AAHK	The 3RS financial arrangement plan	
014216 – 014619	Dr KWOK Ka-ki AAHK	AAHK was requested to provide information on the key risks which still remained with respect to capital expenditure cost estimated risk referred to in paragraph 6.1.3 of the 2015 HSBC's financial report	Para. 30 of the minutes refers
014619 – 014713	Mr WU Chi-wai	AAHK was requested to provide a paper on the measures AAHK would take in the event that a funding shortfall beyond the five potential downside scenarios assessed by HSBC were to occur	Para. 33 of the minutes refers

Time Marker	Speaker(s)	Subject(s)	Action required
014713 - 015007	Dr KWOK Ka-ki Administration	Government's responsibility over AAHK	
015007 - 015508	Mr Michael TIEN AAHK	Levying of ACF	
Any other business			
015508 – 015736	Chairman Dr KWOK Ka-ki Mr WU Chi-wai	Date of next meeting	

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3 February 2016