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財經事務及庫務局
(庫務科)

香港下亞厘畢道
中區政府合署



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BY FAX

5 May 2004

Assistant Legal Adviser
Legislative Council Secretariat
(Attn: Ms. Kitty Cheng)
(Fax No. 2877 5029)

Dear Ms. Cheng,

Bills Committee on
Airport Authority (Amendment) Bill 2004

Thank you for your letter of 22 April 2004. Our response on the two points raised is as follows:-

(a) Long Title

While the long title is technically not an incorrect description of the contents of the Bill, we agree that wordings such as “.... to provide for a mechanism for reduction of the capital” would be a better description; and

(b) Mechanisms for Increase and Reduction of AA's Capital

We believe the method proposed for a reduction of AA's capital will provide greater transparency and further safeguard the interests of the public and creditors of AA. We also believe that the proposal is generally in line with the judicial approach to the reduction of share capital of a company under the Companies Ordinance (Cap.32) – court's sanction is generally required for a reduction of share capital (contrasts increase in share capital).

Bill. Please let me know if you need any further clarification on the above

Yours sincerely,



(Tommy Yuen)
for Secretary for Financial Services
and the Treasury

c.c. DoJ

(Attn: Mr. Jonothan Abbott)
Miss Amy So

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