

LCQ2: Addition to or deletion from the list of laws in Annex III to Basic Law

Following is a question by the Hon Tanya Chan and a reply by the Secretary for Constitutional and Mainland Affairs, Mr Erick Tsang Kwok-wai, in the Legislative Council today (June 17):

Question:

Article 18 of the Basic Law stipulates that the laws listed in Annex III shall be applied locally by way of promulgation or legislation by the Hong Kong Special Administrative Region (SAR). The Standing Committee of the National People's Congress (NPCSC) may add to or delete from the list of laws in Annex III after consulting its Committee for the Basic Law of the Hong Kong Special Administrative Region (BLC) and the SAR Government. In this connection, will the Government inform this Council:

(1) whether it knows the specific criteria or legal provisions based on which NPCSC determines whether a certain piece of national law shall be applied in SAR by way of promulgation or by way of legislation; whether, under the SAR legal system, there is a difference in the status of the laws applied by the two different ways mentioned above;

(2) whether it knows the procedure adopted by NPCSC for consulting BLC and the SAR Government in respect of the addition to or deletion from the list of laws in Annex III to the Basic Law, including the stage at which the consultation is to take place; whether such a consultation procedure is also applicable to the amendments made to the provisions of the laws listed in Annex III; and

(3) as the SAR Government indicated in its reply to a question raised by a Member of this Council in February 1999 that "in future, if any national law proposed to be added to Annex III to the Basic Law has any practical effect in the SAR, we will refer the issue concerned to the relevant Legislative Council panel for discussion", whether the SAR Government still adopts such a practice at present?

Reply:

President,

Having consulted the relevant bureau and department, our consolidated reply to Hon Tanya Chan's question is as follows:

The National People's Congress (NPC) is the highest state organ of power of the People's Republic of China. In accordance with Article 62 of the Constitution of the People's Republic of China (Constitution), the NPC exercises the function and power of enacting and amending laws. The Hong Kong Special Administrative Region (HKSAR) was established by the "Decision of the National People's Congress on the Establishment of the HKSAR" adopted

in accordance with Article 31 of the Constitution on April 4, 1990. The NPC adopted the Basic Law of the HKSAR of the People's Republic of China (Basic Law) as a national law in accordance with Articles 31 and 62 (14) of the Constitution.

Article 2 of the Basic Law stipulates that "the NPC authorises the HKSAR to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of the Basic Law". Article 18 of the Basic Law stipulates that "national laws shall not be applied in the HKSAR except for those listed in Annex III to the Basic Law. The laws listed therein shall be applied locally by way of promulgation or legislation by the HKSAR. The Standing Committee of the National People's Congress (NPCSC) may add to or delete from the list of laws in Annex III after consulting its Committee for the Basic Law of the HKSAR and the government of the HKSAR. Laws listed in Annex III to the Basic Law shall be confined to those relating to defence and foreign affairs as well as other matters outside the limits of the autonomy of the HKSAR as specified by the Basic Law".

Article 13 of the Basic Law stipulates that "the Central People's Government shall be responsible for the foreign affairs relating to the HKSAR", whereas Article 14 of the Basic Law stipulates that "the Central People's Government shall be responsible for the defence of the HKSAR". These are examples of matters outside the limits of the autonomy of the HKSAR. In accordance with the Basic Law, the HKSAR exercises a high degree of autonomy in many areas, especially with respect to the economy. Various provisions in Chapter V of the Basic Law provide for the high degree of autonomy of the HKSAR in public finance, monetary affairs, trade, industry and commerce. The most representative ones include Article 108 of the Basic Law, which stipulates that "the HKSAR shall practise an independent taxation system"; Article 111, which stipulates that "the Hong Kong dollar, as the legal tender in the HKSAR, shall continue to circulate"; and Article 114, which stipulates that "the HKSAR shall maintain the status of a free port". These are clearly matters within the limits of the autonomy of the HKSAR.

Since Hong Kong's return to the Motherland, the NPCSC has made additions to or deletion from the list of laws listed in Annex III to the Basic Law four times, including: (1) adding the Law of the People's Republic of China on the National Flag, the Regulations of the People's Republic of China concerning Consular Privileges and Immunities, the Law of the People's Republic of China on the National Emblem, the Law of the People's Republic of China on the Territorial Sea and the Contiguous Zone, and the Law of the People's Republic of China on the Garrisoning of the HKSAR, as well as deleting the Order on the National Emblem of the People's Republic of China Proclaimed by the Central People's Government (Attached: Design of the national emblem, notes of explanation and instructions for use) on July 1, 1997; (2) adding the Law of the People's Republic of China on the Exclusive Economic Zone and the Continental Shelf on November 4, 1998; (3) adding the Law of the People's Republic of China on Judicial Immunity from Compulsory Measures Concerning the Property of Foreign Central Banks on October 27, 2005; and (4) adding the Law of the People's Republic of China on the

National Anthem on November 4, 2017.

The NPCSC may add to or delete from the list of national laws in Annex III in consultation with its Committee for the Basic Law of the HKSAR and the government of the HKSAR in accordance with the provisions and relevant procedures stipulated in Article 18 of the Basic Law. The national laws listed in Annex III to the Basic Law, regardless of being applied by way of promulgation or legislation, are laws applied in Hong Kong and have legal effect. The national laws currently listed in Annex III to the Basic Law have not been amended since their inclusion in Annex III.

When exercising its legislative power conferred by the Constitution to enact laws, the NPCSC also has to abide by the rules stipulated in Chinese laws such as the Legislation Law of the People's Republic of China. The HKSAR government cannot answer questions relating to the enactment of laws by the NPCSC and the criteria for making relevant decisions on behalf of the NPCSC. If there is a need to amend any national laws listed in Annex III to the Basic Law, it will be led by the NPC or the NPCSC in accordance with their powers conferred by law.

For national law(s) to be added to Annex III to the Basic Law in future, the NPCSC will consult the Committee of the Basic Law and the HKSAR government in accordance with Article 18 of the Basic Law. The HKSAR government will listen to the views of different sectors having regard to actual circumstances and the subject matter concerned, and will duly reflect the actual situation in Hong Kong and specific views when being consulted by the NPCSC.

Thank you President.

Planning Department updates list of vacant school premises sites reviewed under Central Clearing House mechanism

The Planning Department (PlanD) today (June 17) updated the report of vacant school premises (VSP) sites reviewed under the Central Clearing House (CCH) mechanism. The report is available on PlanD's website (www.pland.gov.hk) and at PlanD's Planning Enquiry Counters located at North Point Government Offices and Sha Tin Government Offices. The latest review report updated the list of VSP sites reviewed under the CCH mechanism up to March 2020.

Under the CCH mechanism, PlanD will consider suitable long-term alternative uses for VSP sites after the Education Bureau has confirmed that the sites are no longer required for school use. Upon confirmation of the

long-term uses for the VSP sites, PlanD will inform the departments concerned of the recommendations for their follow-up as appropriate.

In recent years, PlanD has reviewed successively the long-term uses for 234 VSP sites in accordance with the CCH mechanism. About 77 per cent (181 sites) are recommended for retaining the Government, Institution or Community use. About 11 per cent (26 sites) are recommended for residential use, and over half of these (14 sites) are recommended for public housing development. For the remaining 12 per cent or so (27 sites) that are former village schools in the New Territories located in village areas, they are recommended for retaining their uses, which include village type development, rural use and open space.

As at the end of 2019, out of the 234 reviewed VSP sites, there were 43 sites on private land and their utilisation generally depends on private owners' initiative having regard to the applicable uses in statutory planning terms and lease conditions. For the 191 VSP sites on government land or private land to be surrendered to the Government, 64 of these will be put to long-term uses in accordance with the recommendations under the CCH mechanism, or put to short-term uses pending implementation of the long-term uses. There are 84 of these sites already put to long-term uses in accordance with the recommendations under the CCH mechanism or put to short-term uses pending implementation of the long-term uses. A further 36 sites pending implementation of long-term uses are available for application by non-governmental organisations (NGOs) or social enterprises for community, institutional or non-profit making uses on a short-term basis. Members of the public can contact the relevant managing parties for the latest information on these sites.

LCQ19: Environmentally Friendly Linkage System for Kowloon East

â€‹Following is a question by the Hon Wong Kwok-kin and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (June 17):

Question:

The proposed Environmentally Friendly Linkage System (EFLS) for Kowloon East is an elevated monorail which will start and end respectively at the Kowloon Bay Station and Kwun Tong Station of the MTR Kwun Tong Line, run through the Kai Tak Development Area (KTDA), and connect the Kai Tak Station of the Shatin to Central Link. The Government completed the first-stage detailed feasibility study (DFS) for EFLS in 2017 and is currently conducting the second-stage DFS. In this connection, will the Government inform this

Council:

(1) whether it will study if the technical problems and environmental constraints relating to the following proposal can be overcome: to include in EFLS' network coverage those areas in Kowloon East without railway access (e.g. To Kwa Wan and Kowloon City);

(2) given that currently, there are often traffic congestions along a number of road sections in Kowloon East (particularly Hoi Yuen Road and Wai Yip Street in Kwun Tong) during peak hours, of the Government's new measures in the short run to relieve the traffic congestions along those sections before the completion of EFLS;

(3) whether it has conducted a detailed assessment on the impacts of the construction of EFLS on the traffic volumes of areas in the vicinity of KTDA, Kwun Tong and Kowloon Bay; if so, of the details; if not, the reasons for that;

(4) in view of the surge in population and the rising transport demand in KTDA following the completion of a number of development projects there in recent years, whether the Government will consider setting KTDA as an area to be covered in the first-phase project of EFLS; and

(5) of the expected dates for the (i) completion of the second-stage DFS, and (ii) publication of the findings of the study?

Reply:

President,

The Government has incorporated the planning intent and indicative alignment of the proposed Environmentally Friendly Linkage System (EFLS) for Kowloon East (KE) on the Kai Tak Outline Zoning Plan. The technical and financial viabilities, etc., of the proposed EFLS are being explored and studied by the Civil Engineering and Development Department (CEDD). Based upon the findings of the preliminary feasibility study completed in 2014 and the first stage of the detailed feasibility study (DFS) completed in 2017, the CEDD is conducting the second stage of the DFS to explore the proposed EFLS' network coverage, alignment, station locations, mode of operation, financial and cost effectiveness, etc. The CEDD will also examine the interaction between the proposed EFLS and the public transport services, as well as make reference to and explore the latest development and applicability of environmentally friendly transport technologies at home and abroad.

In the course of conducting the DFS, the CEDD has encountered more-than-expected and complicated challenges, thus requiring more time to review and explore feasible solutions, including studying on options other than the elevated mode. Besides, the long-term financial viability and cost-effectiveness of the proposed EFLS are also one of the key considerations of the DFS.

The CEDD anticipates to complete the DFS in this year that seeks to look for suitable, practicable and cost-effective EFLS scheme. Upon completion of the entire DFS, the Government will formulate the way forward for the EFLS project and report the findings and recommendations to the Legislative Council members and relevant stakeholders in due course.

Our responses to various parts of the question raised by Hon Wong, having taken into account the inputs of relevant bureau/departments, are as follows:

(1) and (3) As stated above, the study currently being undertaken by the CEDD includes, among others, the coverage for the proposed EFLS and its impacts to the vehicular traffic on major roads in KE.

In the course of study, the CEDD finds that the construction of the EFLS in elevated mode in KE will encounter lots of technical complications and challenges, particularly for those parts in developed areas. For instance, how the proposed EFLS could be efficiently constructed and operated in the narrow road space and crowded environment of the area; whether construction of the EFLS structures above Kwun Tong Road and the MTR Kwun Tong Line could ensure the operation and safety of the railway and road traffic underneath unaffected; and whether the passage of the EFLS alignment along Hoi Yuen Road could meet the statutory requirements of fire escape. Besides, we also need to consider how a balance could be struck, within the limits of practicality, on the multi-faceted opinions and aspirations of the stakeholders and public over the recommended alignment and site selection for various stations of the EFLS. Moreover, the long-term financial viability and cost-effectiveness of the proposed EFLS are also one of the key considerations of the DFS. Therefore, the CEDD has to take a longer time, including studying on options other than the elevated mode, with a view to identifying a suitable, practicable and cost-effective EFLS scheme.

With respect to railway connectivity of the area, the "Tai Wai to Hung Hom Section" of the Shatin to Central Link, which is under construction, will connect to the West Rail at Hung Hom Station via South East Kowloon to become the Tuen Ma Line. Tuen Ma Line Phase 1, including Hin Keng Station, Diamond Hill Station and Kai Tak Station, was put into service on February 14, 2020. The entire Tuen Ma Line, including the remaining "Kai Tak to Hung Hom Section", will be commissioned by the third quarter of 2021. Upon its commissioning, Tuen Ma Line will include Kai Tak Station, Sung Wong Toi Station, To Kwa Wan Station, Ho Man Tin Station and the Hung Hom Station Extension; and will benefit people in KE (including Kai Tak Development (KTD), To Kwa Wan and Kowloon City, etc.) in terms of transport connectivity and accessibility.

(2), (4) and (5) With the gradual development and transformation of KE (including KTD), the residential and working populations in the area are progressively increasing. We are fully aware of the public's concern about whether the developments may add burden to the traffic condition of the area. Relevant government departments have been striving hard to the timely

provisioning of comprehensive railway and road infrastructure facilities, as well as proper public transport services to cope with the traffic demands in the area, thus meeting the travelling needs of the public.

The CEDD continues to carry out, within KTD, in a progressive manner various road infrastructure works. Apart from the recently commissioned Shing Kai Road and Kai Sun Road, the realignment and widening of the existing traffic route at Shing Cheong Road and Shing Fung Road to a dual two-lane road were completed substantially in end 2019. Besides, the Road D3 (Metro Park Section) has commenced construction for completion by 2022, providing connection to Shing Kai Road, the Kai Tak Cruise Terminal and the Hong Kong Children's Hospital. Upon completion of the said road works, the transport infrastructure of KTD will be further improved.

At the same time, the Government has formulated a number of measures to address the transport needs of KE. On the provision of inter-district roads, the Government is proactively taking forward the Route 6 project to directly link up Kowloon West and Tseung Kwan O, and thus help relieving the traffic burden along the major existing east-west road corridors in Kowloon (including corresponding major road links) and Tseung Kwan O. The Transport Department has also added road markings and traffic signs at the Hoi Yuen Road/Kwun Tong Road roundabout, which will help alleviate traffic condition at Hoi Yuen Road during peak hours. In addition, a number of traffic improvement measures would be implemented under the Kwun Tong Town Centre Redevelopment by the Urban Renewal Authority in phases, such as provision of an exclusive left-turn lane from Hip Wo Street southbound to Kwun Tong Road eastbound at the Hoi Yuen Road/Kwun Tong Road roundabout. This would help further alleviate the traffic condition at Hoi Yuen Road and Wai Yip Street in the neighborhood of the Kwun Tong Town Centre.

The Government also takes the opportunity of developing the two Action Areas in KE, i.e. Kwun Tong Action Area (KTAA) and Kowloon Bay Action Area (KBAA), to further improve the traffic condition thereat, which include building a new road extending from Kei Yip Lane in KTAA to divert traffic away from the Wai Yip Street/Hoi Yuen Road roundabout, and convert the roundabout into a signal-controlled junction to rationalise traffic flows. The CEDD has commenced the investigation and design for the infrastructure works in KTAA in March this year and will seek funding approval timely for implementation of the relevant works. As for the area around KBAA, the Government is studying the widening of Sheung Yee Road and improving the Hoi Bun Road/Cheung Yip Street junction to increase the traffic capacity.

In addition, the two feasibility studies on improving the pedestrian environment in the Kwun Tong Business Area and the Kowloon Bay Business Area included formulation of 22 traffic improvement schemes, of which 16 have been completed, such as provision of kerbside loading and unloading bays and enhancement of road junction layouts, which are conducive to improving the road usage and junction capacity. The Government strives to complete the remaining improvement works as soon as possible. On the other hand, the Police has all along been paying much attention to the situation of illegal parking in the Kwun Tong Business Area, and relevant police districts will

also heighten their attention and step up law enforcement against illegal parking therein. For drivers who commit traffic offences and cause traffic obstructions, the Police will issue warning and summons, or even tow away the vehicles concerned.

As stated above, with the commissioning of Tuen Ma Line Phase 1 (including Kai Tak Station) in early this year, railway services have been extended to KTD. Franchised bus and green minibus services are currently provided in the area connecting people to the nearby railway stations and other districts. The Government will continue to closely monitor the development progress of various projects in KTD, and adjust or strengthen different public transport services timely to meet the demand for public transport services.

As for the coverage, mode and related implementation aspects of the proposed EFLS, they are being explored by the CEDD under the second stage of DFS for the EFLS, which is anticipated to complete in this year. Upon completion of the entire DFS, the Government will formulate the way forward for the EFLS project and report the findings and recommendations to the Legislative Council members and relevant stakeholders in due course.

LCQ1: Regulation of online crowdfunding activities

Following is a question by the Hon Alice Mak and a reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (June 17):

Question:

In recent years, quite a number of people have solicited donations from members of the public through online platforms (online crowdfunding) for purposes such as supporting charity, funding litigations and even sponsoring activities that undermine the interests of Hong Kong (e.g. "mutually destructive" acts such as urging the authorities of foreign countries to impose sanctions on Hong Kong, as well as making preparation for "liberating Hong Kong"). Furthermore, some online crowdfunding initiators were arrested earlier on for suspected unlawful acts of fraud (i.e. misappropriation of the fund raised through crowdfunding), money laundering, etc. While application for a permit from the authorities is currently required for conducting fundraising activities at public places, online crowdfunding is not subject to any regulation, thereby giving lawbreakers opportunities to take advantage of the loopholes. In this connection, will the Government inform this Council:

- (1) whether it knows how overseas countries currently regulate online crowdfunding activities and platforms in order to curb illegal activities;
- (2) whether it will enact legislation to make provisions in respect of online crowdfunding activities on matters such as the making of applications, vetting and approval of such applications, permitted fundraising purposes and limits on the amounts to be raised, as well as the sources, uses and movements of the donations, so as to prevent the funds so raised from being used for supporting violent and illegal activities, and to prevent lawbreakers from committing money laundering, frauds and other unlawful acts in the name of crowdfunding; and
- (3) whether online crowdfunding activities conducted on platforms with servers situated in overseas places for raising funds to be used in Hong Kong are regulated under the existing legislation; if so, of the details; if not, whether it will study regulating such activities?

Reply:

President,

With the rapid development of the internet and social media, crowd-funding activities have become increasingly prevalent internationally and locally over the past few years. According to a paper published by the International Organization of Securities Commissions (IOSCO), "crowd-funding" typically refers to the use of small amounts of money, obtained from a large number of individuals or organisations, to fund a project, a business or personal loan, and other needs through an online web-based platform.

The main types of crowd-funding that are related to financial services typically involve equity crowd-funding, meaning that investors invest in a project or a business which is usually a start-up, through the online platform, in return for future interests or profits. In addition, crowd-funding can also be used for peer-to-peer lending (P2P lending), so it is not equity but loans, meaning that investors participate in the crowd-funding activity as lenders, and the online platform matches lenders with borrowers to provide unsecured loans in return for interests.

However, there are others who use crowd-funding as the means to achieve purposes other than for financial services, such as raising funds for charitable purposes through online platforms, or receive physical goods or services through pre-sale crowd-funding.

In consultation with the Companies Registry, the Securities and Futures Commission (SFC) and Hong Kong Police Force, our consolidated reply to Hon Alice Mak's question is as follows.

Regarding parts (1) and (2) of the question, depending on the purposes and nature of the crowd-funding activities, they are under the respective ambit of relevant existing regulations. For example, where the crowd-funding activity involves an offer to the public to purchase securities, they may be

subject to the provisions of the Securities and Futures Ordinance (SFO) (Cap. 571), and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (C(WUMP)O) (Cap. 32). A document offering shares in or debentures of a company to the public is subject to prospectus registration requirements under the C(WUMP)O unless an exemption applies. Even where an exemption applies to an offer of investment, such as where the offer is only made to professional investors, crowd-funding platform operators may still be subject to the SFC's licensing requirements if it is an investment-based crowd-funding.

On the other hand, if there is a lending element in the crowd-funding activity, the provisions under the Money Lenders Ordinance (MLO) (Cap. 163) may apply. Under the MLO, the term "money lender" means every person whose business is that of making loans or who advertises or announces himself or holds himself out in any way as carrying on that business. A money lender is required to hold a licence unless the loans are exempted under the MLO. The above requirements are equally applicable to physical companies or online lending businesses. Apart from obtaining a money lender licence, the crowd-funding lending platform must also comply with the requirements under the MLO and the licensing conditions, which include requirements on the information to be set out in the loan agreement, the borrower's right to information, advertisement, presentation of interest rates, etc.

Whether it is online or held in public places, if the crowd-funding activities involve money laundering, frauds and other unlawful acts, the Hong Kong Police Force will investigate and prosecute in accordance with the existing laws and regulations.

We note that while the regulations on crowd-funding activities and platforms in overseas countries and regions vary, the relevant regulatory requirements are generally based on the nature of the crowd-funding activity (e.g. whether it involves equity trading), rather than only targeting the means of fund raising (e.g. online or offline). We will continue to monitor and make reference to the latest development overseas.

On part (3) of the oral question, the existing regulations on crowd-funding activities in Hong Kong may be applicable to overseas online platforms that raise funds for use in Hong Kong. As mentioned in our reply to parts (1) and (2) of the question, these relevant regulations include the SFO, C(WUMP)O and MLO etc. For instance, in relation to equity crowdfunding, the SFC monitors primarily through complaints received, whether any of the overseas crowdfunding operators target the Hong Kong public or have conducted any regulated activities in Hong Kong without the SFC's licence or offered investments to the public of Hong Kong without the SFC's authorisation. On the other hand, if the lending activities on the overseas crowd-funding platforms constitute the making of loans by a money lender in Hong Kong under the MLO as explained above, the regulatory regime of the MLO would apply.

Thank you President.

LCQ7: Non-disclosure of information involving commercial secrets

Following is a question by the Hon Paul Tse and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (June 17):

Question:

Earlier on, the Government sought the approval of the Finance Committee (FC) of this Council to provide funding of over \$5.4 billion to the Ocean Park Corporation for purposes such as repayment of commercial loans of over \$3 billion and maintaining operation for one year. The Government refused to disclose to Members of this Council the details, e.g. the interest rates, of the loan agreements on grounds of commercial secrets being involved. In the past, the Government refused to respond, also on grounds of commercial secrets being involved, to the questions that I repeatedly raised about the information of the income and expenditure of the Kai Tak Cruise Terminal. Furthermore, when being questioned by Members of this Council about the Hong Kong Disneyland Resort, in which the Government has invested a huge amount, making consecutive years of losses, government officials were reluctant to disclose the details of the agreement signed between the Government and the Walt Disney Company, also on grounds of commercial secrets being involved. On the other hand, regarding the details of the operation of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (including the mechanism for the Government to bear the losses), the Government refused to disclose the details of the relevant agreement, once again on grounds of commercial secrets being involved. Some members of the media and the public have criticised that the above situations show that the Government, in its management of public finance, often overemphasises commercial interests and ignores the interests of the public, in particular taxpayers' right of access to information on public expenditures. In this connection, will the Government inform this Council:

(1) whether it will assess the negative perception brought to members of the public by the Government's practice of repeatedly refusing, on grounds of commercial secrets being involved, to disclose the details of the loans or cooperation agreements with commercial partners in respect of the aforesaid projects which recorded losses over a long period of time, and whether this will deepen public distrust of the Government's ability in policy implementation; if it will not assess, of the reasons for that;

(2) as some members of the public hold views and have perceptions of distrust of the Government such as that "the Government overemphasises commercial interests and ignores the interests of the public and their right of access to information", whether it will study if this situation will cause the

Government to encounter greater resistance in the future when it seeks funding approval from FC for projects with losses as well as a higher risk of such funding applications being rejected; and

(3) whether it will review and change the practice that "the Government overemphasises commercial interests and ignores the interests of the public and their right of access to information", so as to boost public confidence in the Government's proper monitoring and use of public monies?

Reply:

President,

In response to the Hon Paul Tse's questions, in consultation with relevant policy bureaux, the consolidated reply is as follows:

Not long ago, the Commerce and Economic Development Bureau (CEDB) has sought the approval of the Finance Committee (FC) of the Legislative Council for the funding provided to the Ocean Park Corporation (OPC) and amended the repayment arrangements under Loan Fund, of which, \$3,090 million is for the repayment of commercial loans and related financing costs. The CEDB has disclosed information including the loans amount, related interest, financing costs for interest rate swap contracts, date of borrowing and repayment, security, etc. As for the Kai Tak Cruise Terminal, the CEDB has been disclosing information including the rent arrangement and income source according to the tenancy agreement with the terminal operator. As regards Hong Kong Disneyland Resort (HKDL), it has reported the key operating and financial results to the Legislative Council on an annual basis since fiscal year 2008 (including attendance, revenue, expenses, earnings before interest, taxes, depreciation and amortisation (i.e. EBITDA), net income, net asset/liability, etc.). Also, when the FC scrutinised the Government's investment in HKDL in the past, Government did clearly set out the investment details (including shareholding and loan arrangements). Therefore, there is transparency in the investment and operating situation of the above organisations.

As regards to the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) as mentioned in the question, it has been taken forward and operated under the concession approach. Before the commissioning of the XRL, the Transport and Housing Bureau has briefed the Legislative Council Panel on Transport on August 31, 2018 on the operating arrangements and business case of the XRL, including key content of the supplemental agreement to the service concession agreement signed between the Kowloon-Canton Railway Corporation and the MTR Corporation Limited (MTRCL) and the mechanism to bear risk or share the return, details could be found in the Legislative Council paper CB(4)1500/17-18(01). Being a listed company, the Government is required to disclose relevant commercial information of the MTRCL according to the general listing rules.

Overall speaking, when the Government submits funding applications to the FC, it will set out the key features and financial arrangements of the

projects, justifications for the use of public money and other relevant information to facilitate Members' consideration and approval. Depending on the circumstances and requirements of individual projects, the relevant bureaux will also brief and report to the respective panels of the Legislative Council as and when appropriate. When commercial information is involved, we will take into account factors including policy and legal considerations, contract terms, as well as the public's right to know, etc. in deciding whether and how such information should be disclosed. The Government's decisions will be guided by public interest.