

LCQ6: Financial support for Ocean Park Corporation

Following is a question by the Hon Yiu Si-wing and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (April 29):

Question:

The Ocean Park Corporation (OPC) has recorded deficits of over \$200 million for successive years since the financial year of 2015-2016. The OPC is now unable to repay two commercial loans due in the last and current financial years totalling \$2.3 billion, nor will it be able to repay two government loans for which repayment should commence in the next financial year. In January this year, the Government submitted to the Panel on Economic Development of this Council a funding proposal on the financial arrangements for the OPC, which includes providing a one-off endowment of \$10.64 billion, as well as deferring the commencement date of repayment and waiving the interest of the two government loans. In this connection, will the Government inform this Council:

(1) of the respective projected amounts of (i) income, (ii) expenditure and (iii) deficit of the OPC for the first half and the whole of the current financial year; for how long that the OPC's current liquidity can sustain its operation;

(2) in view of the recent rapid deterioration of the global economic situation, whether it has plans to increase the proposed amount of the aforesaid one-off endowment; if so, of the details; if not, the reasons for that; and

(3) whether it has drawn up fallback options in the event that the Government's funding proposal is not approved by the Finance Committee of this Council, so as to prevent the OPC from closing down due to financial difficulties; if so, of the details; if not, the reasons for that?

Reply:

President,

In view of the COVID-19 outbreak and for the safety of the visitors and employees, the Ocean Park has been temporarily closed since January 26, 2020. Despite the drastic cost cutting measures taken by the Ocean Park Corporation (OPC) in the past two months, given the high fixed costs, the financial situation of the OPC has worsened as compared with the situation in January 2020 when the relevant item was discussed in the Legislative Council (LegCo) Panel on Economic Development. Hence, the need for Government's financial support is even more imminent.

We consulted the LegCo Panel on Economic Development on January 20, 2020 regarding the OPC's Strategic Repositioning Plan (SRP). We understand members' concerns on how the OPC would make use of the funding and the effectiveness of the SRP. We will submit the development proposal of the Ocean Park to the LegCo Finance Committee for consideration as soon as possible.