

## Tender awarded for site in Kai Tak

The Lands Department announced today (July 24) that the tender for a site, New Kowloon Inland Lot No. 6577 at Kai Tak Area 4A Site 1, Kai Tak, Kowloon, has been awarded to the highest tenderer, Dragon Star H.K. Investments Limited (parent company: K. Wah International Holdings Limited, Wheelock Properties Limited and China Overseas Land & Investment Limited), on a 50-year land grant at a premium of \$12,739,800,000.

The tenderers, other than the successful tenderer, in alphabetical order, with the name of the parent company where provided by the tenderer in brackets, were:

- (1) Asia Horizon Limited (Sino Land Company Limited);
- (2) Asset Capital Limited (Sun Hung Kai Properties Limited); and
- (3) Great Rainbow Investments Limited (CK Asset Holdings Limited).

New Kowloon Inland Lot No. 6577 has a site area of about 16 385 square metres and is designated for private residential purposes and Government Accommodation, being a residential care home for the elderly and a child care centre. The minimum gross floor area is 59 969 sq m and the maximum gross floor area that may be attained is 99 948 sq m. Both include the gross floor area of Government Accommodation to be constructed by the purchaser.

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## SCMA to visit Guangxi

The Secretary for Constitutional and Mainland Affairs, Mr Patrick Nip, will visit Guangxi between July 25 and July 26.

During his visit to Guangxi, Mr Nip will meet with government officials of the Guangxi Zhuang Autonomous Region to exchange views on co-operation between the two places.

Mr Nip will see for himself the latest development plan of Guangxi, the logistics and maritime developments of the New Land-Sea Corridor and co-operation between Guangxi and Hong Kong in the area of product quality inspection. While there he will also visit a Chinese medicine university, a vocational education college, and an innovation and technology company.

Mr Nip will return to Hong Kong in the evening of July 26. During his absence, the Under Secretary for Constitutional and Mainland Affairs, Mr Andy Chan, will be the Acting Secretary for Constitutional and Mainland Affairs.

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## Opening remarks by EAC Chairman at press conference on independent investigation report on REO's loss of Final Register of Electors

The following is issued on behalf of the Electoral Affairs Commission:

Following is the English translation of the opening remarks by the Electoral Affairs Commission (EAC) Chairman, Mr Justice Barnabas Fung Wah, at the press conference today (July 24) on the independent investigation report on the loss of the marked Final Register of Electors (FR) of the 2016 Legislative Council General Election by the Registration and Electoral Office (REO):

Thank you for attending the press conference today. Together with EAC member Mr Arthur Luk, SC, we will give an account of the investigation report on the loss of the FR of the 2016 Legislative Council General Election by the REO.

The REO confirmed on April 9 the loss of the FR of the polling station located at SKH Tsing Yi Estate Ho Chak Wan Primary School in Kwai Tsing District in the 2016 Legislative Council General Election. The marked FR contains the name, sex, address and Hong Kong identity card number for about 8 000 electors assigned to that polling station. The Register also shows the number and types of of ballot papers each elector may be issued and whether the elector had collected his/her ballot papers, but it does not show the choices of the elector made on the votes.

In view of the seriousness of the incident, the EAC decided to launch a comprehensive investigation and review of the incident to find out the underlying facts and identify the problems relating to the electoral arrangements as well as overall management of the REO with a view to recommending improvement measures. At present, the government has an established mechanism in handling the conduct and discipline of the government officers and all suspected conduct and disciplinary matters of government officers should be handled under this mechanism. Therefore, it is outside the scope of the EAC's review to investigate and determine the integrity or personal responsibility of individual officers.

The investigation has been completed. The full report has been uploaded to the EAC website ([www.eac.hk](http://www.eac.hk)) for public information, and provided to the Constitutional and Mainland Affairs Bureau for reference. I thank the EAC members Mr Luk and Professor Fanny Cheung for their endeavours to investigate the incident and prepare this report.

Since the full investigation report has been uploaded, I will now focus on the findings of the investigations and areas for improvement for the REO.

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## Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, July 24, 2019 is 105.2 (same as yesterday's index).

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## Exchange Fund Position at end-June 2019

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) today (July 24) published the unaudited financial position of the Exchange Fund at end-June 2019.

The Exchange Fund recorded an investment income of HK\$170.8 billion in the first half of 2019. The main components were:

- gains on bonds of HK\$76.4 billion;
- gains on Hong Kong equities of HK\$20.3 billion;
- gains on other equities of HK\$65.1 billion;
- negative currency translation effect on non-Hong Kong dollar assets of HK\$3.5 billion (Note 1); and
- gains on other investments of HK\$12.5 billion (Note 2).

Fees on placements by the Fiscal Reserves and placements by Hong Kong Special Administrative Region Government funds and statutory bodies were HK\$15.3 billion (Note 3) and HK\$4.5 billion respectively in the first half of 2019 (the rate of fee payment is 2.9 per cent for 2019). After deducting all expenses and fees, the Accumulated Surplus of the Exchange Fund recorded an increase of HK\$121.9 billion (Annexes 1 and 2).

Total assets of the Exchange Fund stood at HK\$4,137.0 billion at end-June 2019, an increase of HK\$82.1 billion from the end of 2018.

The Chief Executive of the HKMA, Mr Norman Chan, said, "Following a

sharp fall in the fourth quarter last year due to worsening United States-China trade conflicts, the global equity markets rebounded significantly in early 2019 amid expectations of easing trade tensions. However, with a renewed impasse in US-China trade negotiations in May, the markets registered a correction again. Another rebound in global equities happened in June when China and the US indicated that negotiations would resume and the markets expected interest rate cuts by the US Federal Reserve. The Standard & Poor's 500 Index reached a record high. In the first half of 2019, Hang Seng Index also rebounded about 14 per cent from its low at the start of this year. Regarding the bond market, as central banks around the world turned more dovish, the Exchange Fund's bond portfolio also recorded good gains.

He added, "Looking ahead, the investment environment is still fraught with uncertainties in the second half of the year. While in end-June China and the US agreed to resume trade negotiations, it cannot be assumed that an agreement would definitely be reached any time soon. Furthermore, Brexit remains an important and unsettling factor. A 'hard Brexit' could trigger volatilities throughout Europe's economy and financial markets.

The HKMA will continue to manage the Exchange Fund prudently and adjust our defensive measures as appropriate. We will also continue to diversify our investments to further enhance the Exchange Fund's resilience in withstanding market volatilities."

Note 1: This is primarily the effect of translating foreign currency assets into Hong Kong dollar after deducting the portion for currency hedging.

Note 2: This is the valuation change of investments held by investment holding subsidiaries of the Exchange Fund. This figure represents valuation changes up to the end of March 2019. Valuations of these investments from April to June are not yet available.

Note 3: This does not include the 2019 fee payment to the Future Fund because such amount will only be disclosed when the composite rate for 2019 is available.