

# LCQ1: Site reserved for second phase development of Hong Kong Disneyland

Following is a question by the Hon Tony Tse and a reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (June 13):

Question:

In December 1999, the Government signed an agreement with The Walt Disney Company for a joint venture to develop the Hong Kong Disneyland (HKDL). The Government reserved a 60-hectare site immediately to the east of HKDL for the second phase development of HKDL (Phase 2 site). Under the relevant Option Deed, the Hongkong International Theme Parks Limited (HKITP), which develops and operates HKDL, was given an option with a validity period of 20 years to buy the Phase 2 site. However, given the slow pace of HKDL's expansion in recent years, Phase 2 site has all along been left vacant. In this connection, will the Government inform this Council:

- (1) whether it knows the respective estimated and actual attendances of HKDL in each year from 2005, in which HKDL commenced operation, to 2017, and the estimated attendance in each year from 2018 to 2030, as well as the basis for the estimation;
- (2) whether it has studied ways to better utilise the vacant Phase 2 site before HKITP exercises the aforesaid option; if so, of the details and outcome, and whether it will let the site by way of short-term tenancies; if it has not studied, whether it will expeditiously conduct such a study; and
- (3) given that the aforesaid option, which will expire in 2020, is subject to two five-year extensions by HKITP according to the provisions in the Option Deed, of the details of the relevant provisions (including the years for using the site once the option is exercised, restrictions on uses, as well as the method and criteria for calculating the land premium); whether the Government will discuss with HKITP the early cancellation of the option, with a view to better utilising the site for other uses as early as possible?

Reply:

President,

Thanks the Hon Tony Tse for the question.

In 1999, the Government and the Walt Disney Company (TWDC) reached an agreement to develop the Phase 1 of Hong Kong Disneyland Resort (HKDL) at a reclaimed site of about 126 hectares at Penny's Bay, Lantau Island. Since its opening in September 2005, HKDL has been in operation for nearly 13 years. It is a major component of the tourism infrastructure in Hong Kong and one of the most popular tourist attractions for both local and non-local

visitors. It also helps consolidate our position as an international premier tourist destination.

In its first 12 years of operation, HKDL received over 70 million guests. Their additional spending in Hong Kong was around \$166.2 billion, which generated total value-added of \$90.9 billion for Hong Kong's economy, equivalent to 0.35 per cent of Hong Kong's gross domestic product. HKDL also created a total of 232 500 jobs for Hong Kong's economy over the same period, providing considerable job opportunities for frontline workers and Hong Kong's tourism industry.

Over the years, HKDL has been strengthening its appeal to visitors through sustained efforts to enrich its attractions and entertainment offerings. Apart from the new ride Iron Man Experience and the new hotel Disney Explorers Lodge launched last year, HKDL has been actively taking forward its expansion and development plan since the second half of last year and various newly built attractions would be launched progressively from this year to 2023.

My reply to the three parts of the question is as follows:

(1) As mentioned above, HKDL received over 70 million guests in its first 12 years of operation, which exceeded the Government's relevant estimation for the same operating period made in 2009 when considering HKDL's expansion with three new themed areas, i.e. 59 million. HKDL's actual annual attendance from its opening to fiscal year 2017 is at Annex. In gist, HKDL's attendance had been increasing during the first nine years after its opening, reached the highest in 2014, dropped in 2015 and 2016, and picked up in 2017.

Looking ahead, taking into account the relevant attendance data of HKDL's operation and after its expansion in the past, it is estimated that HKDL's attendance, with the progressive launch of new attractions under the expansion and development plan and the overall improvement in the tourism industry, would regain growth momentum. We estimate that HKDL's attendance would be around 9.1 million to 9.3 million in fiscal year 2030.

(2) & (3) When the development of HKDL was finalised in 1999, the Government, considering the future expansion and development of the resort, agreed to reserve a reclaimed site of around 60 hectares to the east of HKDL for its possible Phase 2 development (the Phase 2 site).

According to the Option Deed signed in 2000 between the Government and the Hongkong International Theme Parks Limited (i.e. the joint venture with the Government and TWDC as shareholders, "the joint venture"), the joint venture has an Option to purchase the Phase 2 site for taking forward HKDL's further development. Such option is valid for 20 years until 2020 and may, in accordance with the Option Deed, be extended twice, each for five years. During the validity period of the Option, if the joint venture purchases the Phase 2 site in accordance with the Option Deed, the land premium, as per the Deed, would base on the amount of \$2.812 billion at 1999 prices which would be adjusted for inflation between 1999 and the time of

purchase in line with the Composite Consumer Price Index. Considering that the Phase 2 development is one of the proposals for HKDL's overall development in future, the Government and TWDC as shareholders of the joint venture would review the development situation as appropriate. Currently, we have no intention to change the original arrangements.

The Government understands the concerns of this Council and the general public about better utilisation of land. Thus, the Government explores and considers from time to time whether the Phase 2 site can be put to compatible use(s) that would better utilise the site and, at the same time, benefit the tourism industry or the community.

Before the joint venture exercises the Option, the Phase 2 site can currently be used for various short-term uses as listed in the Deed of Restrictive Covenant, including recreational, sports and cultural facilities, etc. When considering these short-term uses, we also need to take into account whether such uses are compatible with the use and atmosphere of HKDL. In fact, the Phase 2 site was used for hosting some short-term activities in the past, such as sports activities and group events. Recently, we have also received some proposals, and are exploring and discussing with the relevant parties. When there is progress and at an appropriate juncture, we would finalise them and make announcement. We will continue to actively pursue the better utilisation of the Phase 2 site to further exploiting the recreation, entertainment and tourism positioning in the vicinity of HKDL. This would be conducive to HKDL's on-going development, Hong Kong's tourism industry and overall economy.

---

## **Missing woman in Sham Shui Po located**

A woman who went missing in Sham Shui Po was located.

Lee Siu-kuen, aged 52, went missing after she was last seen on Ki Lung Street on June 9 afternoon. Her family made a report to Police on the same day.

The woman turned up to Police to cancel the missing person report this morning (June 13). She sustained no injuries and no suspicious circumstances were detected.

---

# Special traffic arrangements for race meeting in Happy Valley

Special traffic arrangements will be implemented in Happy Valley today (June 13). The arrangements will come into effect one and a half hours before the start of the first race and will last until the crowds have dispersed after the race meeting.

## A. Traffic arrangements before the commencement of the first race

### 1. Road closure

Southbound Wong Nai Chung Road between Queen's Road East and the up-ramp outside Hong Kong Jockey Club (HKJC) will be closed except for vehicles heading for Aberdeen Tunnel.

### 2. Traffic diversions

- Southbound Wong Nai Chung Road between Village Road and the up-ramp outside HKJC will be re-routed one way northbound;
- Vehicles from eastbound Queen's Road East heading for Wan Chai and Happy Valley will be diverted to turn left to Morrison Hill Road;
- Traffic along southbound Morrison Hill Road heading for Happy Valley will be diverted via Sports Road and Wong Nai Chung Road;
- Traffic along Queen's Road East cannot turn right to Wong Nai Chung Road except for vehicles heading to Aberdeen Tunnel;
- Traffic from Cross Harbour Tunnel heading for Queen's Road East will be diverted via the down-ramp leading from southbound Canal Road flyover to Morrison Hill Road to turn right at the junction of Wong Nai Chung Road and Queen's Road East; and
- Traffic from Cross Harbour Tunnel heading for Happy Valley or Racecourse will be diverted via the down-ramp leading from southbound Canal Road flyover to Canal Road East, southbound Morrison Hill Road, Sports Road and Wong Nai Chung Road.

## B. Traffic arrangements during the race meeting

### 1. Road closure

The following roads will be closed from 35 minutes before the start of the last race:

- The up-ramp on Wong Nai Chung Road outside HKJC leading to Aberdeen Tunnel;
- Southbound Wong Nai Chung Road between Queen's Road East and the up-ramp leading to Aberdeen Tunnel;
- Southbound Wong Nai Chung Road between Village Road and the Public Stands of HKJC;
- Westbound Leighton Road between Wong Nai Chung Road and Canal Road East; and
- Southbound Morrison Hill Road between Leighton Road and Queen's Road East.

In addition, southbound Wong Nai Chung Road between the up-ramp leading to Aberdeen Tunnel and the Public Stands of HKJC will be closed from about 10 minutes before the start of the last race.

## 2. Traffic diversions

The following traffic arrangements will be implemented from 35 minutes before the start of the last race:

- Eastbound Queen's Road East at its junction with Morrison Hill Road will be reduced to one-lane traffic heading for northbound Canal Road flyover;
- Vehicles from Cross Harbour Tunnel heading for Wan Chai will be diverted via the down-ramp leading from Canal Road East, U-turn slip road beneath Canal Road flyover, Canal Road West and Hennessy Road;
- Vehicles from Cross Harbour Tunnel heading for Happy Valley will be diverted via the down-ramp leading from Canal Road East, eastbound Leighton Road and Wong Nai Chung Road;
- Traffic on southbound Morrison Hill Road will be diverted to turn left to eastbound Leighton Road;
- Traffic along southbound Morrison Hill Road heading for Happy Valley will be diverted via eastbound Leighton Road and Wong Nai Chung Road; and
- Traffic along westbound Leighton Road will be diverted to Wong Nai Chung Road.

## C. Learner drivers prohibition

Learner drivers will be prohibited to turn left from Caroline Hill Road to Leighton Road between one and a half hours before the start of the first race and one hour after the last race. In addition, learner drivers will be prohibited from accessing the following roads within the above period of time:

- Shan Kwong Road between Yik Yam Street and Wong Nai Chung Road;
- Village Road between its upper and lower junctions with Shan Kwong Road;
- Percival Street between Hennessy Road and Leighton Road;
- Canal Road East; and
- The service road leading from Gloucester Road to Canal Road flyover.

## D. Suspension of parking spaces

Parking spaces on southbound Wong Nai Chung Road between Sports Road and Blue Pool Road will be suspended from 11am to 7pm during day racing, from 4.30pm to 11.59pm during evening racing, and from 5pm to 11.59pm during night racing.

Any vehicles found illegally parked within the precincts of the above affected areas will be towed away without prior notice.

Actual implementation of road closure and traffic diversion will be made by the Police at the time depending on traffic conditions in the areas. Motorists should exercise tolerance and patience, and follow the instructions of Police on site.

---

## LCQ2: Influence of offices set up in Hong Kong by departments of the Central People's Government

Following is a question by the Hon Gary Fan and a reply by the Secretary for Constitutional and Mainland Affairs, Mr Patrick Nip, in the Legislative Council today (June 13):

Question:

It has been reported that two companies under Guangdong Xin Wenhua, which is a company wholly owned by the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (LOCPG), have full control of three major bookstore chains, namely Joint Publishing (H.K.), Chung Hwa Book Co. and The Commercial Press, as well as a number of publishers and publications distributors in Hong Kong, with a market share as high as 80 per cent. In this connection, will the Government inform this Council:

(1) as Article 22 of the Basic Law (BL) stipulates that "(n)o department of the Central People's Government ... may interfere in the affairs which the Hong Kong Special Administrative Region administers on its own in accordance with this Law", whether the Government has assessed if LOCPG-owned companies' conducting business in Hong Kong and impacting on the environment of the local publishing industry have constituted a violation of that provision; if it has assessed, of the outcome;

(2) given that the three major bookstore chains indirectly held by LOCPG have dominated Hong Kong's publication market (especially in the business area of publishing teaching materials and children's educational books) and those chains have refused to sell in their bookstores books relating to the Umbrella Movement, democratic movements and the relevant subjects, whether the Government has assessed if the freedom of publication enjoyed by Hong Kong residents under Article 27 of the BL has been undermined by the aforesaid situation; and

(3) whether the Government will discuss with the Central People's Government if it is necessary to draw up criteria for regulating the conducting of business in Hong Kong by the offices set up in Hong Kong by the Central Government and companies under them?

Reply:

Acting President,

Having consulted the Department of Justice, our consolidated reply to the Hon Gary Fan's question is as follows:

According to Article 12 of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (the Basic Law), the Hong Kong Special Administrative Region (the HKSAR) shall be a local administrative region of the People's Republic of China, which shall enjoy a high degree of autonomy and come directly under the Central People's Government (the CPG). Article 2 of the Basic Law stipulates that the National People's Congress 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.

At the same time, Article 22 of the Basic Law stipulates that no department of the CPG and no province, autonomous region, or municipality directly under the Central Government may interfere in the affairs which the HKSAR administers on its own in accordance with the Basic Law. If there is a need for departments of the Central Government, or for provinces, autonomous regions, or municipalities directly under the Central Government to set up offices in the HKSAR, they must obtain the consent of the government of the Region and the approval of the CPG. All offices set up in the HKSAR by departments of the Central Government, or by provinces, autonomous regions, or municipalities directly under the Central Government, and the personnel of these offices shall abide by the laws of the Region.

Currently, the Central Government has set up three institutions in the HKSAR, including the Liaison Office of the Central People's Government in the HKSAR (the LOCPG), the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the HKSAR (the OCMFA), and the Hong Kong Garrison of the Chinese People's Liberation Army (the Garrison). Since the establishment of the HKSAR, the HKSAR Government and the offices set up by the CPG in the HKSAR have been acting in strict accordance with the basic policies of "one country, two systems", "Hong Kong people administering Hong Kong" and a high degree of autonomy, as well as complying with the provisions of the Basic Law in performing their respective duties.

The question refers to the functions and roles of the LOCPG. As stated in its official website, the LOCPG is an office set up by the CPG in the HKSAR. Its main functions include liaising with the OCMFA and the Garrison; liaising with and assisting relevant Mainland departments to manage Chinese organisations in Hong Kong; promoting economic, educational, scientific and technological, cultural and athletic exchanges and co-operation between Hong Kong and the Mainland; liaising with various sectors of the community of Hong Kong to enhance exchanges between the Mainland and Hong Kong; and reflecting the views of Hong Kong residents on the Mainland, etc. The work of the offices set up by the Central Government in the HKSAR is determined by the Central Authorities. As long as the LOCPG is carrying out its work in accordance with its operation and functions and which complies with law, we will not interfere with the LOCPG's work. We believe that the LOCPG will, as

always, follow the laws of HKSAR in accordance with the requirement stipulated in Article 22 of the Basic Law.

Regarding the LOCPG's ownership of bookstores and publishing companies, and being a publications distributor, as far as I understand, Joint Publishing (H.K.), Chung Hwa Book Co. and The Commercial Press are companies under Sino United Publishing (Holdings) Limited, which is a local enterprise registered and operated in accordance with the laws of Hong Kong. The HKSAR Government will not interfere with any bookstore, publishing company or publications distributor which are operating in accordance with law.

Regarding the question on the freedom of publication, the HKSAR Government has always strived to protect the freedoms provided for Hong Kong residents under Article 27 of the Basic Law, including the freedom of publication. The setting up and operations of bookstores, publishing companies and publications distributors in Hong Kong by individuals or companies are purely business operations; the market share of individual bookstores, publishing companies or publications distributors is also a result of free market. I understand that there are many different ways to publish books and publications in Hong Kong. The HKSAR Government will ensure that Hong Kong is an open market for publishing activities, and will not interfere with lawful publishing of books and publications. Hong Kong is an international metropolis where East meets West. The publishing market has always been diverse, with enterprises from the Mainland, Taiwan, Europe, the United States and elsewhere, in addition to local ones. There are physical bookstores of different sizes as well as various online channels for people to purchase and read books and publications of different genres from different parts of the world through various channels at their own will. As for the mechanism of selecting books for sale by individual bookstores, it is entirely an independent act based on business considerations of each individual bookstore, and is a process which the Government will not and cannot participate in; otherwise, it will constitute an interference. This is precisely what the Government is doing to uphold Article 27 of the Basic Law to protect the freedom of publication. The freedom of press, of speech and of publication, etc. are important elements in maintaining Hong Kong's position as an international metropolis. The HKSAR Government will definitely continue to protect these important rights.

Thank you Acting President.

---

## **LCQ10: Eligibility for receiving Old Age Allowance**

Following is a question by the Hon Leung Che-cheung and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative



Council today (June 13):

Question:

Regarding the eligibility for receiving the Old Age Allowance (OAA), will the Government inform this Council:

(1) as the current eligibility criteria for OAA include the requirement that the applicant must have resided in Hong Kong continuously for at least one year immediately before the date of application, but those elderly people who have moved to reside in Guangdong or Fujian Provinces are not required to meet the requirement, whether it knows the number of Hong Kong elderly people residing in other provinces of the Mainland in each of the past three years who were ineligible for receiving OAA due to their failure to meet the requirement; and

(2) whether it will consider afresh lowering the age threshold for receiving OAA from 70 to 65, and whether it has assessed (i) the number of elderly people aged between 65 and 69 to be benefited and (ii) the implication on the public expenditure, as a result of the implementation of this measure?

Reply:

President,

The current social security system (including the Comprehensive Social Security Assistance Scheme and various allowances under the Social Security Allowance (SSA) Scheme) is non-contributory and entirely funded by the Government's general revenue, which involves substantial public funds. My reply to the Member's question is as follows:

(1) The non-means-tested Old Age Allowance (OAA; currently at \$1,345 per month) under the SSA Scheme provides cash allowance to eligible elderly persons aged 70 or above to meet their special needs arising from old age. There are pre-application residence requirements under the SSA Scheme, including the requirement that an applicant must have resided in Hong Kong for at least one year (with a grace period of 56 days in the year) immediately before the date of application (one-year continuous residence (OYCR) in Hong Kong requirement). Separately, there is also residence requirement during receipt of allowance. The above requirements ensure that the relevant payments are only granted to Hong Kong residents who have a long-term connection with Hong Kong, so as to ensure long-term sustainability of the social security system.

The Government appreciates that some Hong Kong elderly persons, especially those who came to Hong Kong from the Mainland at a younger age, may choose to reside on the Mainland after their retirement. To provide assistance to these elderly persons, the Government launched the Guangdong Scheme and Fujian Scheme in October 2013 and April 2018 respectively to enable eligible Hong Kong elderly persons who choose to reside in Guangdong or Fujian to receive OAA without having to return to Hong Kong every year (to

fulfil the residence requirement during receipt of allowance). The above arrangement is only applicable to eligible elderly persons residing in Guangdong and Fujian mainly because there are more Hong Kong people residing in these two provinces. In terms of geographical proximity and community bonding, elderly persons residing in Guangdong and Fujian could maintain a close connection with their relatives and friends in Hong Kong and more readily obtain support. Moreover, the two provinces are uniquely and closely connected with Hong Kong on the social, economic and transport fronts.

Under the above OYCR in Hong Kong requirement, elderly persons who have already resided in Guangdong or Fujian need to return to and stay in Hong Kong for one year in order to meet the eligibility criteria of the Guangdong Scheme/Fujian Scheme. To facilitate these elderly persons, the Government has implemented a special one-off arrangement under the Guangdong Scheme and Fujian Scheme to allow applicants who have resided in Guangdong/Fujian continuously for one year (with a grace period of 56 days in the year) immediately before the date of application to benefit from the Guangdong Scheme/Fujian Scheme without the need to comply with the OYCR in Hong Kong requirement, provided that they have met all other eligibility criteria. Under the Guangdong Scheme, the special one-off arrangement was introduced in the first year of implementation (i.e. from October 1, 2013 to September 30, 2014) and has been relaunched on July 1, 2017 (which will last until June 30, 2018). Under the Fujian Scheme, the special one-off arrangement is implemented in its first year (i.e. from April 1, 2018 to March 31, 2019).

Regarding Member's request for information, the Social Welfare Department does not maintain the number of Hong Kong elderly people residing in other provinces/municipalities of the Mainland who were ineligible for receiving OAA because of the OYCR in Hong Kong requirement.

(2) In view of an ageing population, the Government has to ensure prudent use of public funds in order to provide targeted support for needy elderly persons. According to the Census and Statistics Department's projection, excluding foreign domestic helpers, the number of elderly persons aged 70 or above would increase from about 0.77 million in 2016 by over a million to about 1.86 million in 2036. In 2066, the number of elderly persons aged 70 or above is projected to reach 2.18 million, which is about three times of that in 2016. In the face of a growing elderly population, the number of OAA beneficiaries and public funds involved would continue to increase. Having considered the sustainability of the social security system, the Government has no plan to lower the age requirement of OAA.