



DAILY INFORMATION BULLETIN

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TOTAL COST OF AIRPORT CORE PROJECTS ESTIMATED AT \$98.6 BILLION
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THE TOTAL COST OF THE AIRPORT CORE PROJECTS (ACP) IS ESTIMATED TO BE \$98.6 BILLION AT MARCH 1991 PRICES AND THE GOVERNMENT'S FINANCING STRATEGY AIMS TO KEEP OVERALL COSTS DOWN WHILE MAXIMISING PRIVATE SECTOR PARTICIPATION.

THIS WAS LAID OUT IN A PAPER PRESENTED TODAY (FRIDAY) TO A MEETING OF THE LEGISLATIVE COUNCIL'S FINANCE COMMITTEE.

THE PAPER GAVE A GRAND TOTAL OF \$98.6 BILLION IN MARCH 1991 AS THE COST OF THE PROJECTS. THE BREAKDOWN OF COSTS SHOWS THAT:

- * THE WEST KOWLOON RECLAMATION WILL COST \$9 BILLION, FUNDED BY THE CAPITAL WORKS RESERVE FUND.
- * THE WEST KOWLOON EXPRESSWAY WILL COST \$1.7 BILLION, FUNDED BY THE CAPITAL WORKS RESERVE FUND.
- * THE WESTERN HARBOUR CROSSING WILL COST \$3.9 BILLION, FUNDED BY THE PRIVATE SECTOR.
- * PART OF ROUTE THREE WILL COST \$5.6 BILLION, FUNDED BY THE CAPITAL WORKS RESERVE FUND.
- * THE NEW AIRPORT AT CHEK LAP KOK WILL COST \$43.6 BILLION, MADE UP OF \$3.1 BILLION FROM THE CAPITAL WORKS RESERVE FUND, \$13.8 BILLION OF GOVERNMENT EQUITY, \$16.5 BILLION OF BORROWING BY THE AIRPORT AUTHORITY, EXCLUDING FINANCING AND INTEREST CHARGES, AND \$10.2 BILLION OF PRIVATE INVESTMENT.
- * THE FIRST PHASE OF THE TUNG CHUNG DEVELOPMENT WILL COST \$2.6 BILLION, FUNDED BY THE CAPITAL WORKS RESERVE FUND.
- * THE NORTH LANTAU EXPRESSWAY WILL COST \$4.3 BILLION, FUNDED BY THE CAPITAL WORKS RESERVE FUND.
- * THE LANTAU FIXED CROSSING WILL COST \$12.1 BILLION, FUNDED BY THE CAPITAL WORKS RESERVE FUND.
- * UTILITIES WILL COST \$1.5 BILLION, FUNDED BY THE CAPITAL WORKS RESERVE FUND.

THESE FIGURES GIVE TOTALS OF \$39.9 BILLION TO BE FUNDED BY THE CAPITAL WORKS RESERVE FUND AND \$13.8 BILLION OF GOVERNMENT EQUITY.

THE \$16.5 BILLION OF BORROWING BY THE AIRPORT AUTHORITY WHEN ADDED TO THE \$3.9 BILLION PRIVATE INVESTMENT IN THE WESTERN HARBOUR CROSSING AND \$10.2 BILLION PRIVATE INVESTMENT IN THE NEW AIRPORT GIVES A TOTAL PRIVATE INVESTMENT OF \$30.6 BILLION.

/IN ADDITION

IN ADDITION, THE AIRPORT RAILWAY WAS COSTED AT \$12.5 BILLION. THE FIGURE EXCLUDES THE COST OF THE RAIL RESERVE IN THE LANTAU FIXED CROSSING AND THE NORTH LANTAU EXPRESSWAY WHICH IS INCLUDED IN THE ROUGH ORDER OF COSTS OF THESE TWO PROJECTS. THE COST WILL BE RECOVERED FROM THE OPERATOR OF THE AIRPORT RAILWAY IN DUE COURSE.

TO SUPPORT THE AIRPORT RAILWAY, PART OF THE CENTRAL AND WAN CHAI WATERFRONT WILL NEED TO BE RECLAIMED AT A COST OF \$1.8 BILLION.

THE GRAND TOTAL OF \$98.6 BILLION EXCLUDES CONTINGENCY PROVISION FOR ANY ACCELERATION OF WORKS THAT MAY BECOME NECESSARY TO ENSURE THE PROPER INTERFACING AND INTEGRITY OF THE PROGRAMMING OF WORKS UNDER THE ACP.

"THE GOVERNMENT'S FINANCING STRATEGY FOR THE ACP AIMS TO KEEP OVERALL COSTS DOWN WHILE ACHIEVING AN EFFICIENT AIRPORT AND SUPPORTING INFRASTRUCTURE IN THE MOST COST EFFECTIVE MANNER; AND KEEP PUBLIC SECTOR COSTS TO THE MINIMUM BY ENCOURAGING PRIVATE SECTOR PARTICIPATION WHERE THIS MAKES FINANCIAL SENSE," THE PAPER SAID.

FOUR PROJECTS HAD PARTICULAR POTENTIAL FOR PRIVATE SECTOR PARTICIPATION: THE NEW AIRPORT, THE LANTAU FIXED CROSSING, THE AIRPORT RAILWAY AND THE WESTERN HARBOUR CROSSING.

THE FINANCIAL ASSESSMENT OF THE LANTAU FIXED CROSSING HAD SHOWN THAT IT WOULD BE MORE RELIABLE, AND PROBABLY CHEAPER OVERALL, TO BUILD THE CROSSING AS A GOVERNMENT PROJECT RATHER THAN A PRIVATISED ONE.

HOWEVER, THE GOVERNMENT MAY SELL A FRANCHISE TO OPERATE THE CROSSING, PARTLY OR WHOLLY, AT OR NEAR THE TIME OF COMPLETION OF THE WORKS.

THE FINANCIAL ASSESSMENT OF THE AIRPORT RAILWAY, COMPLETED EARLY THIS YEAR, HAD SHOWN THAT THE PROSPECTIVE OPERATOR, THE MASS TRANSIT RAILWAY CORPORATION, WOULD REQUIRE SOME FINANCIAL SUPPORT, SUCH AS ADDITIONAL EQUITY FROM THE GOVERNMENT, IF THE RAILWAY IS TO BE COMMISSIONED AT THE SAME TIME AS THE AIRPORT.

THE AMOUNT MIGHT BE MINIMISED IF COMPLETION WAS DELAYED FOR A FEW YEARS. FOR ABOUT THREE YEARS AFTER THE OPENING OF THE NEW AIRPORT ROADS COULD HANDLE TRAFFIC.

HOWEVER, THIS WOULD INCREASE CONGESTION ALONG THE NATHAN ROAD CORRIDOR, LAND PREMIA WOULD BE LESS IN LANTAU AND THE OPERATION OF THE AIRPORT AND BUSINESSES MIGHT BE ADVERSELY AFFECTED. NEGOTIATIONS WITH THE MTRC WILL START SOON, THE PAPER SAID.

THE FINANCIAL CONSULTANCY ON THE NEW AIRPORT ITSELF IS CONTINUING, WITH A DRAFT FINAL REPORT EXPECTED AT THE END OF THE YEAR.

RECENT WORK, IN WHICH THE PROVISIONAL AIRPORT AUTHORITY HAS BEEN CLOSELY INVOLVED, HAS FOCUSED ON WAYS OF IMPROVING THE COMMERCIAL VIABILITY OF THE AIRPORT THROUGH A MODULAR AND PHASED APPROACH TO CONSTRUCTION AND A MORE COMMERCIAL APPROACH TO ENHANCING REVENUES.

THE PRESENT PLAN ASSUMES THAT ALL MAJOR ON-AIRPORT FACILITIES, EXCEPT THE PASSENGER TERMINAL, WILL BE FUNDED AND OPERATED BY THE PRIVATE SECTOR WITH SUCH PARTICIPATION ENCOURAGED IN THE PASSENGER TERMINAL AS FAR AS POSSIBLE.

SERVICES TO BE PROVIDED DIRECTLY BY THE GOVERNMENT, SUCH AS AIR TRAFFIC CONTROL, WILL BE FUNDED AS PUBLIC WORKS ITEMS.

THE PROVISIONAL AIRPORT AUTHORITY/AIRPORT AUTHORITY WILL FUND ALL OTHER WORKS, SUCH AS CONSTRUCTION, WITH THE ASSISTANCE OF GOVERNMENT EQUITY AND PARTLY FROM BORROWINGS.

IN A "WORST CASE" SCENARIO THE TOTAL EQUITY LIKELY TO BE REQUIRED FROM THE GOVERNMENT WOULD BE IN THE REGION OF \$13.8 BILLION BUT IN A MORE LIKELY SCENARIO, THE FIGURE WOULD BE LOWER.

A FINANCIAL CONSULTANCY STUDY WILL SOON START ON THE COMMERCIAL VIABILITY OF WESTERN HARBOUR CROSSING TO ASSIST THE GOVERNMENT IN DRAWING UP A PRIVATISATION PACKAGE FOR THE PROJECT ON A BUILD, OPERATE AND TRANSFER ARRANGEMENT.

"IN PLANNING THE IMPLEMENTATION OF THE ACP, THE GOVERNMENT IS OBVIOUSLY INSISTENT THAT IT SHOULD BE AFFORDABLE," SAID THE PAPER.

"ACCORDINGLY, A LONG-TERM PROJECTION OF THE GOVERNMENT'S FINANCIAL POSITION HAS BEEN UNDERTAKEN ON THE BASIS OF THE PRELIMINARY FINANCING STRATEGY FOR THE ACP.

"FOR FINANCIAL PRUDENCE, THE PROJECTION HAS BEEN TESTED AGAINST VARIOUS POSSIBLE ADVERSE DEVIATIONS SUCH AS LOWER TREND GROWTH RATE OF THE ECONOMY, REDUCED REVENUE, PRICE ESCALATION AND INCREASED COST OF THE ACP.

"THE RESULTS SHOW THAT THERE WOULD BE A FEW YEARS OF DEFICIT BUDGETTING BUT THAT BY 1996 AT THE LATEST, THE ANNUAL GOVERNMENT BUDGET WOULD BE BACK IN SURPLUS.

"MORE IMPORTANTLY, THE FORECAST SHOWS THAT AFTER MEETING PROJECT DEFICITS, THE LEVEL OF FISCAL RESERVES (EXCLUDING RESERVES IN THE LAND FUND AND ASSUMING NO GOVERNMENT BORROWING) WOULD STILL BE MAINTAINED AT A PRUDENT LEVEL THROUGHOUT THE PERIOD UP TO 1997."

THE HONG KONG SPECIAL ADMINISTRATIVE REGION GOVERNMENT (HKSARG) WOULD BE LEFT IN A VERY STRONG STARTING FINANCIAL POSITION. THE MEMORANDUM OF UNDERSTANDING CONCERNING THE CONSTRUCTION OF THE NEW AIRPORT HAD PROVIDED ADDED CERTAINTY TO THE FINANCING OF THE ACP.

"IN SUM," SAID THE PAPER, "WITH CHINESE SUPPORT OF THE ACP AND WITH CAREFUL FINANCIAL MANAGEMENT BY THE HONG KONG GOVERNMENT, THE LEVELS OF SPENDING ON THE ACP CAN BE RECOMMENDED.

"THE PRIVATE SECTOR PARTICIPATION WILL BE ROBUST. PUBLIC EXPENDITURE IN OTHER AREAS WILL STILL ENJOY GROWTH AT A REASONABLE LEVEL, THE LOW TAXATION REGIME IN HONG KONG WILL STILL CONTINUE, AND THE HK SARG WILL START IN A HEALTHY FINANCIAL POSITION."

FC APPROVES \$6.55 BILLION ADVANCE TO PAA

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THE FINANCE COMMITTEE TODAY (FRIDAY) APPROVED AN ADDITIONAL ADVANCE OF \$6.55 BILLION TO THE PROVISIONAL AIRPORT AUTHORITY (PAA) TO MEET EXPENSES RELATING TO THE PLANNING AND CONSTRUCTION OF THE NEW AIRPORT.

MEMBERS HEARD THAT THE PAA HAD RECEIVED IN JUNE 1990 A \$20 MILLION ADVANCE FROM THE CAPITAL INVESTMENT FUND TO PAY FOR ITS INITIAL ESTABLISHMENT AND OPERATING EXPENSES.

ON JULY 13, 1990 A FURTHER \$760 MILLION HAD BEEN APPROVED TO ENABLE THE AUTHORITY TO COMMISSION A CONSULTANCY STUDY ON THE AIRPORT MASTER PLAN AND TO MAKE AVAILABLE A WORKS SITE AT CHEK LAP KOK.

THE FINAL DRAFT REPORT ON THE AIRPORT MASTER PLAN STUDY IS DUE IN OCTOBER THIS YEAR.

IN FEBRUARY THIS YEAR, WORKS STARTED ON THE PREPARATION OF A 29-HECTARE ADVANCE WORKS SITE ON CHEK LAP KOK TO FACILITATE THE RAPID MOBILISATION OF THE MAIN SITE PREPARATION CONTRACTOR.

IT IS EXPECTED THAT THE CALL FOR TENDERS FROM PREQUALIFIED CONTRACTORS WILL BE MADE IN NOVEMBER, WITH A VIEW TO WORK STARTING IN MAY NEXT YEAR.

THE PAA IS NOW GEARING UP AND HAS DRAWN UP A BUDGET UP TO THE END OF THE 1992/93 FINANCIAL YEAR. IT IS INTENDED TO ESTABLISH THE FULL AIRPORT AUTHORITY IN THE NEXT LEGISLATIVE COUNCIL SESSION.

THE FINANCING STRATEGY FOR THE NEW AIRPORT IS STILL EVOLVING BUT IT INVOLVES THE MAXIMISATION OF PRIVATE SECTOR INVESTMENT AND PARTICIPATION WHENEVER IT IS COMMERCIALY, FINANCIALLY AND OPERATIONALLY DESIRABLE.

THE BUSINESS AND FINANCING STRATEGY WILL BE REFINED FURTHER AS THE MASTER PLAN AND THE AIRPORT FINANCIAL STUDY PROCEED TOWARDS COMPLETION AROUND THE END OF THIS YEAR.

IN VIEW OF GROWING CONGESTION AT KAI TAK, THERE IS NOW AN URGENT NEED TO TAKE THE PROJECT FORWARD WITHOUT DELAY.

THE MOST IMMEDIATE WORK REQUIRED IS TO INVITE TENDERS FOR THE AIRPORT SITE PREPARATION CONTRACT, TO CONTINUE WITH DETAILED DESIGN OF THE REMAINING WORKS TO BE UNDERTAKEN BY THE PAA AND TO GEAR UP ITS ORGANISATION.

THE PAA ESTIMATES THAT THE TOTAL COSTS OF THE SITE PREPARATION AND RELATED WORKS SUPERVISION IS LIKELY TO BE SOME \$9.3 BILLION, AT END-1990 PRICES.

WHILE THE AUTHORITY WILL HAVE TO COMMIT THE FULL VALUE OF THE SITE PREPARATION CONTRACT AT THE TIME OF THE AWARD, IT IS ESTIMATED THAT IT WILL SPEND SOME \$4.5 BILLION, AT END 1990 PRICES, OR \$5.4 BILLION AT MONEY-OF-THE-DAY PRICES, IN THE PERIOD UP TO THE END OF THE FINANCIAL YEAR 1992-93.

/BETWEEN NOW

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BETWEEN NOW AND THE END OF THAT YEAR, THE PAA ALSO ESTIMATES THAT IT WILL NEED SOME \$800 MILLION AT MONEY-OF-THE-DAY PRICES FOR FURTHER INVESTIGATIONS AND DETAILED DESIGN OF THOSE PARTS OF THE AIRPORT CONSTRUCTION WORKS (OTHER THAN THE FORMATION OF THE AIRPORT PLATFORM) WHICH IT WILL UNDERTAKE.

THE PAA HAS ALSO REQUESTED FOR AN ADVANCE OF \$700 MILLION AT MONEY-OF-THE-DAY PRICES TO MEET ITS START UP AND OPERATING COSTS BETWEEN NOW AND THE END OF 1992/93.

AFTER DISCUSSIONS WITH THE LEGCO AD HOC GROUP TO STUDY THE FINANCIAL ARRANGEMENTS FOR THE NEW AIRPORT AND RELATED PROJECTS, IT WAS AGREED THAT ONLY HALF THE AMOUNT SOUGHT SHOULD BE APPROVED - \$350 MILLION.

IN ADDITION, THE PAA WILL SUBMIT ITS LONGER-TERM FUNDING REQUIREMENTS WHEN A MORE DETAILED BUSINESS PLAN IS AVAILABLE AT THE END OF THIS YEAR OR THE START OF NEXT.

UNDER THIS APPROACH, IT WAS ACCEPTED THAT THE AUTHORITY MAY ENTER INTO FINANCIAL COMMITMENTS IN EXCESS OF \$350 MILLION TO ENABLE IT TO OFFER EMPLOYMENT CONTRACTS AND UNDERTAKE OTHER CONTRACTUAL OBLIGATION SUCH AS THE LEASING OF OFFICES.

THE PROPOSALS AMOUNTED TO AN ADDITIONAL ADVANCE OF \$6.55 BILLION TO THE PAA, WHICH WAS WELL WITHIN THE LEVEL OF GOVERNMENT FINANCIAL SUPPORT ENVISAGED FOR THE AUTHORITY.

AS THE PAA IS NOT YET IN A POSITION TO BORROW FROM THE FINANCIAL MARKETS, THE ADVANCE WAS APPROVED, SUBJECT TO A DRAW DOWN SCHEDULE TO BE AGREED BETWEEN THE PAA AND THE ADMINISTRATION.

IT WAS ALSO AGREED THAT, IN RECOGNITION OF THE RESPONSIBILITIES OF THE PAA AND THE NEED FOR IT TO HAVE SUFFICIENT FLEXIBILITY TO CARRY OUT ITS STATUTORY FUNCTIONS, THE ADVANCES APPROVED TO DATE (\$780 MILLION AND THE \$6.55 BILLION) BE USED FOR ALL AIRPORT-RELATED PURPOSES SUCH AS THE PAA SAW FIT.

ON THE ESTABLISHMENT OF THE FULL AIRPORT AUTHORITY, ALL THE ADVANCES MADE TO THE PROVISIONAL BODY WOULD BE CONVERTED INTO THE GOVERNMENT'S EQUITY.

ANY GOVERNMENT DIRECT EXPENDITURE INCURRED FROM OCTOBER 1989 ONWARDS, AND ATTRIBUTABLE TO THE NEW AIRPORT AND NOT REIMBURSED BY THE PAA, WILL ALSO BE CONVERTED INTO GOVERNMENT EQUITY.

THE ARRANGEMENTS WERE NOT INCONSISTENT WITH THE PROCEDURES ADOPTED WHEN STARTING UP THE MASS TRANSIT RAILWAY CORPORATION.

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FC APPROVES FUNDS FOR WORK ON LANTAU FIXED CROSSING

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FUNDING APPROVAL WAS GIVEN BY THE FINANCE COMMITTEE TODAY (FRIDAY) IN ORDER THAT WORK MAY PROCEED ON THE LANTAU FIXED CROSSING (LFC).

THE COMMITTEE APPROVED A NUMBER OF ITEMS.

FIRST, IT APPROVED AN INCREASE IN THE AMOUNT SET ASIDE FOR DESIGN WORK AND CONTRACT DOCUMENTATION FOR THE TSING MA BRIDGE AND THE KAP SHUI MUN BRIDGE FROM \$242 MILLION TO \$270 MILLION.

SECOND, IT APPROVED THE UPGRADING OF THE CONTRACTS RELATING TO THE CONSTRUCTION OF THE TSING MA BRIDGE AND DESIGN AND CONSTRUCTION FOR THE KAP SHUI MUN BRIDGE AND THE VIADUCT ACROSS MA WAN TO CATEGORY A, AT AN ESTIMATED COST OF \$8.87 BILLION.

THIRD, IT APPROVED THE FUNDING OF CONSULTANTS FEES FOR THE DESIGN AND PREPARATION OF CONTRACT DOCUMENTS FOR THE REMAINING ELEMENTS OF THE FIXED CROSSING AT AN ESTIMATED COST OF \$63 MILLION.

THE REMAINING ELEMENTS OF THE LFC, REMAIN IN CATEGORY B, CONSIST OF THE FOLLOWING:

- * A CONTRACT FOR THE CONSTRUCTION FOR THE EARTHWORKS OF THE INTERCHANGE WITH ROUTE THREE ON NORTHWEST TSING YI, ESTIMATED, AT MARCH 1991 PRICES, AT \$815 MILLION;
- * A CONSTRUCTION CONTRACT FOR THE INTERCHANGE WITH ROUTE THREE, ESTIMATED AT \$620 MILLION;
- * A CONSTRUCTION CONTRACT FOR THE HIGHWAY AND TOLL PLAZA ON NORTHERN LANTAU, ESTIMATED AT \$860 MILLION; AND
- * A CONTRACT FOR THE SUPPLY, INSTALLATION AND COMMISSIONING OF A TOLL COLLECTION SYSTEM AND TRAFFIC CONTROL AND SURVEILLANCE SYSTEM COVERING THE FIXED CROSSING AND APPROACHES, ESTIMATED AT \$610 MILLION.

ALL THE CONTRACTS TOGETHER ARE ESTIMATED TO ADD UP TO \$11.775 BILLION AT MARCH 91 PRICES.

THE GOVERNMENT WILL INVITE TENDERS FOR THE TSING MA BRIDGE BY THE END OF THIS MONTH AND FOR THE KAP SHUI MUN BRIDGE A MONTH LATER.

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CONSTRUCTION OF PART OF ROUTE 3 PROPOSED
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THE GOVERNMENT PROPOSES TO CONSTRUCT A SECTION OF ROUTE 3 BETWEEN NORTHWEST TSING YI AND MEI FOO, KOWLOON.

A NOTICE OF THE PROPOSED WORKS WAS PUBLISHED IN TODAY'S (FRIDAY) GOVERNMENT GAZETTE.

ROUTE 3 WILL BE A NORTH-TO-SOUTH TRUNK ROAD LEADING FROM THE LOK MA CHAU BORDER CROSSING, THE NORTHWEST NEW TERRITORIES THROUGH WEST KOWLOON TO HONG KONG ISLAND.

AS ROUTE 3 AND THE LANTAU FIXED CROSSING WILL BE LINKED UP AT AN INTERCHANGE TO BE BUILT ON THE NORTHWEST COAST OF TSING YI, IT WILL PROVIDE A MAJOR ROAD ACCESS FOR THE NEW AIRPORT TRAFFIC EAST OF THE LANTAU FIXED CROSSING.

THE SECTION OF ROUTE 3 NOW PROPOSED TO BE BUILT IS A SEVEN-KILOMETRE LONG EXPRESSWAY BETWEEN NORTHWEST TSING YI AND MEI FOO WHERE IT IS TO CONNECT WITH THE WEST KOWLOON EXPRESSWAY SECTION OF ROUTE 3.

IT WILL BE A DUAL-THREE-LANE CARRIAGEWAY AT NORTHWEST TSING YI WHERE IT JOINS THE LANTAU FIXED CROSSING.

IT WILL TRAVERSE ALONG THE WESTERN SIDE OF TSING YI BEFORE ENTERING INTO A 1.5-KILOMETRE LONG BORED TUNNEL AT SAI TSAO WAN ON TSING YI.

EMERGING FROM THE PORTAL UNDERNEATH THE EXISTING ROUNDABOUT AT THE WESTERN END OF TSING YI BRIDGE, IT WILL CROSS THE RAMBLER CHANNEL ON A BRIDGE AT A LEVEL SIMILAR TO THE EXISTING TSING YI BRIDGE.

MARINE ACCESS UNDERNEATH THE BRIDGE DURING CONSTRUCTION WILL BE MAINTAINED. FROM PILLAR ISLAND TO MEI FOO, IT WILL BE AN ELEVATED DUAL FOUR-LANE ROAD.

THE PROPOSED ROUTE 3 WILL HAVE THREE MAJOR INTERCHANGES, ONE AT NORTHWEST TSING YI TO CONNECT THE PROPOSED LANTAU FIXED CROSSING (TSING MA BRIDGE), A SECOND AT LAI KING TO CONNECT WITH THE EXISTING KWAI CHUNG ROAD AND TSUEN WAN ROAD AT LAI KING, AND A THIRD INTERCHANGE WILL BE PROVIDED TO LINK ROUTE 3 WITH ROUTE 4 (CHING CHEUNG ROAD) IN LAI CHI KOK BAY.

THE PROPOSED WORKS ARE SCHEDULED TO COMMENCE IN EARLY 1993 AND TO COMPLETE BY MID 1996.

THE PLANS AND SCHEME OF THE PROPOSED WORKS MAY BE INSPECTED AT THE FOLLOWING GOVERNMENT OFFICES:

- * CENTRAL AND WESTERN DISTRICT OFFICE, PUBLIC ENQUIRY SERVICE CENTRE, GROUND FLOOR, HARBOUR BUILDING, 38 PIER ROAD, CENTRAL, HONG KONG;

/* KWAI TSING

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- * KWAI TSING DISTRICT OFFICE, KWAI CHUNG AND TSING YI PUBLIC ENQUIRY SERVICES CENTRE, SECOND FLOOR, KWAI HING GOVERNMENT OFFICES BUILDING, 166-174 HING FONG ROAD, KWAI CHUNG, NEW TERRITORIES;
- * SHAM SHUI PO DISTRICT OFFICE, 37-39 TONKIN STREET, GROUND FLOOR, KOWLOON;
- * KWAI TSING DISTRICT LANDS OFFICE, 10TH FLOOR, TSUEN WAN STATION MULTI-STOREY CARPARK BUILDING, 174-208 CASTLE PEAK ROAD, TSUEN WAN, NEW TERRITORIES;
- * KOWLOON WEST DISTRICT LANDS OFFICE, YAU MA TEI CARPARK BUILDING, 10TH FLOOR, 250 SHANGHAI STREET, KOWLOON.

ANY PERSON WHO WISHES TO OBJECT TO THE WORKS OR THE USE, OR BOTH, IS REQUIRED TO WRITE TO THE SECRETARY FOR TRANSPORT, CENTRAL GOVERNMENT OFFICES, EAST WING, SECOND FLOOR, LOWER ALBERT ROAD, HONG KONG NOT LATER THAN SEPTEMBER 17 THIS YEAR, DESCRIBING HIS INTEREST AND THE MANNER IN WHICH HE ALLEGES HE WILL BE AFFECTED BY THE WORKS OR THE USE.

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PROPOSED PURCHASE OF BCCHK EXPLAINED

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THE NATURE OF A PROPOSAL BY THE BANK OF EAST ASIA TO PURCHASE THE BANK OF CREDIT AND COMMERCE HONG KONG LIMITED (BCCHK), WOULD HAVE EXPOSED PUBLIC FUNDS TO UNLIMITED LIABILITY, THE FINANCIAL SECRETARY, SIR PIERS JACOBS TOLD THE FINANCE COMMITTEE OF THE LEGISLATIVE COUNCIL TODAY (FRIDAY).

IN REPLY TO A QUESTION, SIR PIERS SAID THE OFFER WAS THAT BANK OF EAST ASIA SHOULD ACQUIRE UP TO 50 PER CENT OF BCCHK IN PARTNERSHIP WITH THE BEA AND THE HONG KONG GOVERNMENT, EITHER DIRECTLY OR THROUGH OVERSEAS TRUST BANK, IN OTHER WORDS IT WOULD HAVE BEEN A 50-50 JOINT VENTURE WITH THE HONG KONG GOVERNMENT.

THE FINANCIAL SECRETARY SAID THE OFFER AS DESCRIBED IN PUBLIC WAS PERHAPS ONLY PARTIAL.

QUOTING A LETTER FROM BEA, SIR PIERS SAID: "IT MAY BE THAT AFTER THREE YEARS OR EVEN BEFORE, IT WILL BECOME APPARENT THAT BCC'S PROBLEMS ARE SO LARGE THAT UPON ANY FAIR ASSESSMENT OF ITS OPERATIONS IT CANNOT OR SHOULD NOT CONTINUE, IN WHICH CASE WE WOULD ANTICIPATE THAT WE COULD PUT OUR EQUITY BACK TO OTB TOGETHER WITH ANY LIABILITIES IN RESPECT OF FINANCIAL COMFORT GIVEN IN RESPECT TO BCC. SO AS TO RELIEVE US, THAT'S BEA, OF OUR LIABILITIES CONCERNING BCC BOTH REGULATORY AND OTHERWISE, OR REQUIRE THAT BCC BE LIQUIDATED".

/"THE RESULT

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"THE RESULT OF THE SHARES BEING PUT (I.E. SOLD) BACK WITH OVERSEAS TRUST BANK, WHICH IS FULLY OWNED BY THE GOVERNMENT, WOULD HAVE MEANT THAT THE EXCHANGE FUND WOULD HAVE BEEN EXPOSED TO UNLIMITED LIABILITY IN RELATION TO BCC; AND THE EXCHANGE FUND AFTER ALL IS PUBLIC FUNDS," SIR PIERS SAID.

"THE FULL RISK UNDER THE TERMS OF THIS OFFER WOULD HAVE BEEN ON THE GOVERNMENT," HE ADDED.

THE COMMISSIONER OF BANKING, MR DAVID CARSE, ADDED THAT THE BEA PROPOSAL ENTAILED THAT AFTER ACQUISITION, IF THE BANK (BCCHK) TURNED OUT TO HAVE POSITIVE NET ASSET VALUE, A PURCHASE PRICE WOULD HAVE BEEN PAID, BUT THAT WOULD HAVE BEEN DELAYED OVER SOME PERIOD OF TIME.

"AN INITIAL INSTALMENT WOULD HAVE BEEN MADE AFTER THREE YEARS AND THEN THE FINAL INSTALMENT AFTER SIX YEARS.

"IF IT TURNED OUT, ON INVESTIGATION, THAT BCCHK HAD NEGATIVE NET ASSET VALUE WITH ASSOCIATED LIABILITIES ON THE PART OF THE SHAREHOLDERS TO PUT MORE MONEY INTO THE BANK, THEN BANK OF EAST ASIA WOULD HAVE HAD THE RIGHT TO SELL ITS 50 PER CENT BACK TO THE GOVERNMENT OR TO OTB ALONG WITH THE ASSOCIATED LIABILITIES," HE SAID.

"IN OTHER WORDS, AT THAT POINT THE HONG KONG GOVERNMENT OR OTB WOULD HAVE ENDED UP OWNING 100 PER CENT OF THE BANK," MR CARSE ADDED.

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FC APPROVES EARLY REPAYMENT FOR BCCHK DEPOSITORS

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DEPOSITORS AND CREDITORS OF THE BANK OF CREDIT AND COMMERCE HONG KONG LIMITED AND BCCI FINANCE INTERNATIONAL LIMITED (THE INSTITUTIONS) WILL BE ABLE TO RECEIVE EARLY REPAYMENT OF UP TO 25 PER CENT OF THEIR NET CREDIT BALANCE WITH THE INSTITUTIONS, SUBJECT TO A MAXIMUM LIMIT OF \$500,000.

SUCH EARLY REPAYMENT, DESIGNED TO PROVIDE SOME IMMEDIATE RELIEF TO DEPOSITORS AND CREDITORS OF THE INSTITUTIONS, PARTICULARLY THE SMALLER ONES, ARE EXPECTED TO BE MADE WITHIN A WEEK OR SO.

PROCEDURES ARE BEING WORKED OUT AND AN ANNOUNCEMENT WILL BE MADE AS SOON AS POSSIBLE, A GOVERNMENT SPOKESMAN SAID TODAY (FRIDAY).

THE GO-AHEAD FOR THE EARLY REPAYMENT SCHEME FOLLOWED THE AUTHORISATION BY THE FINANCE COMMITTEE FOR THE GOVERNMENT TO DISCUSS AND ENTER INTO ARRANGEMENTS WITH THE LIQUIDATOR AND SPECIAL MANAGERS OF THE INSTITUTIONS FOR THE PARTIAL EARLY DISTRIBUTION.

THE SPOKESMAN SAID THE MAXIMUM LIMIT WAS SET AFTER TAKING INTO ACCOUNT THE HARDSHIP FACED BY DEPOSITORS, MANY OF THEM SMALL COMPANIES NOW EXPERIENCING SERIOUS LIQUIDITY PROBLEMS.

/THE EARLY

THE EARLY PARTIAL DISTRIBUTION WILL BE MADE OUT OF THE INSTITUTIONS' LIQUID ASSETS, AND CREDITORS ASSOCIATED WITH THE BCCI GROUP WOULD NOT BENEFIT FROM THIS EARLY REPAYMENT.

"WHILE THE INSTITUTIONS HAVE SUFFICIENT LIQUID ASSETS TO COVER PAYMENT, THE LIQUIDATOR AND SPECIAL MANAGERS HAVE INDICATED THAT THE EARLY REPAYMENT SCHEME CAN ONLY GO AHEAD IF AN INDEMNITY IS PROVIDED," THE SPOKESMAN SAID.

THE FINANCE COMMITTEE HAS AGREED AT TODAY'S MEETING TO ACCEPT THE CONTINGENT LIABILITY ARISING FROM THE PROVISION OF SUCH AN INDEMNITY TO THE LIQUIDATOR AND SPECIAL MANAGERS.

"BASED ON INFORMATION AVAILABLE, IT IS NOT EXPECTED THAT THERE WILL BE ANY SUBSTANTIAL LIABILITY ON THE PART OF THE GOVERNMENT, AS DEPOSITORS' AND OTHER CREDITORS' ULTIMATE ENTITLEMENT SHOULD BE MUCH HIGHER THAN THE AMOUNT OF THE EARLY PARTIAL DISTRIBUTION.

"THIS, HOWEVER, HAS NOT TAKEN INTO ACCOUNT ANY HIDDEN LIABILITIES OF THE INSTITUTIONS," THE SPOKESMAN SAID, ADDING THAT THERE WAS NO EVIDENCE OF ANY SIGNIFICANT HIDDEN LIABILITIES ALTHOUGH THIS COULD NOT BE ENTIRELY RULED OUT.

THE INSTITUTIONS, AS FAR AS THE COMMISSIONER OF BANKING CAN ASCERTAIN, WERE SOLVENT AS GOING CONCERNS BEFORE THEIR RESPECTIVE BUSINESSES WERE SUSPENDED ON JULY 8, 1991.

"THERE IS ALSO NO EVIDENCE SUGGESTING THAT EITHER INSTITUTION IS IMPLICATED IN THE ALLEGED FRAUD INVOLVING THE BCCI GROUP.

"ON THE BASIS OF INFORMATION PROVIDED BY THE INSTITUTIONS' AUDITORS, PRICE WATERHOUSE, IT IS ESTIMATED THAT ON LIQUIDATION, DEPOSITORS WILL ULTIMATELY RECEIVE A HIGH PROPORTION OF THE NET BALANCE OF THEIR DEPOSITS," THE SPOKESMAN ADDED.

DISREGARDING HIDDEN LIABILITIES AND AS A ROUGH ESTIMATE, THE MAXIMUM CONTINGENT LIABILITY, IN THEORY, SHOULD BE AROUND THE TOTAL AMOUNT OF THE EARLY DISTRIBUTION, THAT IS, ABOUT \$1.44 BILLION.

THE FINANCE COMMITTEE WAS INFORMED THAT AT THE TIME OF SUSPENSION, BCCHK HAD AND STILL HAS ABOUT 40,000 DEPOSITORS WITH 50,000 DEPOSIT ACCOUNTS. THE TOTAL AMOUNT OF DEPOSITS IS ABOUT \$10.6 BILLION, WITH ABOUT \$3 BILLION PLEDGED AS COLLATERAL AGAINST LOANS.

BCCI FINANCE INTERNATIONAL LIMITED HAS ONLY SIX DEPOSITORS WITH LOCAL DEPOSITS OF \$10.4 MILLION, \$3 MILLION OF WHICH IS PLEDGED AS COLLATERAL AGAINST LOANS.

THE FINANCE COMMITTEE WAS TOLD THAT THE APPOINTMENT OF LIQUIDATORS DID NOT PRECLUDE A SALE OF THE INSTITUTIONS AS GOING CONCERNS.

THE LIQUIDATORS HAVE THE AUTHORITY TO SELL THE INSTITUTIONS WITHOUT THE CONSENT OF THE HOLDING COMPANY OF THE INSTITUTIONS.

HOWEVER, IN VIEW OF POTENTIAL BUYERS' NATURAL APPREHENSION OVER THE HIDDEN LIABILITIES OF THE INSTITUTIONS, A SALE WITHOUT SOME FORM OF GOVERNMENT GUARANTEE IS HIGHLY UNLIKELY. CHANCES ARE THAT THE INSTITUTIONS WILL HAVE TO BE LIQUIDATED.

BANKING COMMISSIONER ON BCCHK

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THE FOLLOWING IS A STATEMENT MADE BY THE COMMISSIONER OF BANKING, MR DAVID CARSE, AT THE FINANCE COMMITTEE OF THE LEGISLATIVE COUNCIL TODAY (FRIDAY):

I HAVE BEEN ASKED TO EXPLAIN MY DECISION TO ALLOW BCCHK TO OPEN ON SATURDAY, JULY 6 AND MY SUBSEQUENT DECISION TO ORDER IT TO CLOSE ITS DOORS ON THE FOLLOWING MONDAY.

THE TIMETABLE OF EVENTS

I FIRST BECAME AWARE OF THE PROBLEMS CONCERNING THE BCC GROUP DURING THE DAYS PRECEDING FRIDAY, JULY 5. I WAS ADVISED THAT THE BANK OF ENGLAND HAD RECEIVED A REPORT OF SUSPECTED FRAUD IN TWO MAJOR BANKING SUBSIDIARIES OF THE BCC GROUP THAT DO NOT OPERATE IN HONG KONG.

INITIALLY, IT APPEARED THAT ANY ACTION BY THE BANK OF ENGLAND AND OTHER SUPERVISORS IN RESPECT OF THIS REPORT WOULD BE DELAYED FOR A WEEK OR MORE, THIS TIMETABLE SHORTENED DURING THE WEEK, BUT IT WAS NOT UNTIL 6 PM HONG KONG TIME ON FRIDAY, JULY 5 THAT IT WAS KNOWN THAT AN ANNOUNCEMENT OF THE PROBLEMS AND THE ACTION TO BE TAKEN WAS TO BE MADE AT 8 PM HONG KONG TIME. THIS MEANT THAT A DECISION HAD TO BE TAKEN AT THAT POINT AS TO WHETHER BCCHK SHOULD BE ALLOWED TO OPEN ON SATURDAY MORNING.

THE BACKGROUND TO THE DECISION

AT THE TIME, THE FACTS AVAILABLE TO ME ABOUT BCCHK WERE AS FOLLOWS:

- (I) ITS 1990 ACCOUNTS HAD JUST BEEN PUBLISHED SHOWING A LARGE LOSS DUE TO INCREASED PROVISIONS;
- (II) MY OFFICE HAD BEEN INVOLVED IN DISCUSSIONS WITH THE BANK AND ITS AUDITORS REGARDING THESE PROVISIONS AND WAS AWARE OF THE BACKGROUND TO THEM. IN DISCUSSIONS WITH THE AUDITORS PRIOR TO FRIDAY, JULY 5, I CONFIRMED THAT THEY REGARDED THE BANK AS CONSERVATIVELY PROVISIONED;
- (III) DESPITE HAVING TO MAKE THESE PROVISIONS, BCCHK WAS SHOWN IN THE 1990 ANNUAL ACCOUNTS TO BE SOLVENT. MY OFFICE WAS NOT AWARE OF ANY EVENTS AFTER THE 1990 YEAR-END WHICH ALTERED THAT POSITION;
- (IV) THE BANK MET THE PRUDENTIAL REQUIREMENTS IN THE BANKING ORDINANCE, IN PARTICULAR THOSE RELATING TO CAPITAL ADEQUACY AND LIQUIDITY;

/(v)

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- (V) THE ULTIMATE MAJORITY SHAREHOLDERS OF THE BANK HAD RECENTLY DECLARED THEIR SUPPORT FOR THE BANK FOR THE PURPOSES OF THE 1990 ACCOUNTS AND HAD INJECTED \$125 MILLION OF CAPITAL IN THE FORM OF A SUBORDINATED LOAN;
- (VI) THE BANK HAD SUBSTANTIALLY REDUCED ITS EXPOSURE TO THE REST OF THE BCC GROUP IN CONSULTATION WITH MY OFFICE;
- (VII) THERE WAS NO EVIDENCE THAT BCCHK WAS IMPLICATED IN THE SUSPECTED FRAUD IN THE OTHER PARTS OF THE BCC GROUP.

IN THE LIGHT OF THIS, AND BEARING IN MIND THE SUBSTANTIAL DEPOSITS WHICH BCCHK HAD TAKEN FROM NON-BANK CUSTOMERS, I WAS ANXIOUS TO KEEP THE BANK OPEN IF AT ALL POSSIBLE. I WAS AWARE OF THE FACT THAT IF THE BANK WERE TO CLOSE ON SATURDAY, IT WOULD BE VERY DIFFICULT FOR IT TO BE RE-OPENED WITHOUT PROVOKING A SERIOUS RUN ON DEPOSITS. I BELIEVE THAT IF I HAD ACTED TO CLOSE THE BANK ON SATURDAY, I WOULD HAVE BEEN OPEN TO CRITICISM, AND POSSIBLE LEGAL ACTION, FOR HAVING ACTED TOO HASTILY.

ALLOWING THE BANK TO REMAIN OPEN ALSO ENABLED ME, THROUGH MY REPRESENTATIVE, TO HOLD DISCUSSIONS WITH THE GOVERNMENT OF ABU DHABI TO ENSURE THAT IT STILL STOOD BEHIND BCCHK IN THE CHANGED SITUATION AND TO TRY TO HAVE THAT SUPPORT STRENGTHENED. TO HAVE CLOSED THE BANK ON SATURDAY WOULD HAVE JEOPARDISED THIS ATTEMPT.

BCCHK DID MANAGE TO TRADE RELATIVELY NORMALLY ON SATURDAY THOUGH SOME LARGER THAN NORMAL WITHDRAWALS WERE MADE FROM SOME BRANCHES. THE DECISION TO ALLOW THE BANK TO REMAIN OPEN THAT DAY DID NOT THEREFORE RESULT IN A MAJOR LOSS OF LIQUID ASSETS FROM THE BANK AND THE POSITION OF DEPOSITORS AS A WHOLE WAS NOT THEREFORE MATERIALLY WORSENERD.

DURING THE WEEKEND, HOWEVER, IT BECAME CLEAR THAT THE BANK'S ABILITY TO CONDUCT ITS BUSINESS COULD BE AFFECTED BY THE UNCERTAINTIES SURROUNDING THE REST OF THE BCC GROUP. A PARTICULAR INSTANCE OF THIS WAS VISA INTERNATIONAL'S DECISION TO BLOCK BCCHK CREDIT CARDS. THE POSSIBILITY OF A RUN ON THE BANK ON MONDAY COULD NOT BE RULED OUT, PARTICULARLY IN THE LIGHT OF GROWING PUBLICITY ABOUT THE PROBLEMS OF THE REST OF THE BCC GROUP. THE GENERAL MANAGER OF THE BANK AGREED WITH THIS VIEW.

ON SUNDAY EVENING, I WAS INFORMED THAT THE GOVERNMENT OF ABU DHABI FELT UNABLE TO PROVIDE THE CLEAR WRITTEN STATEMENT OF SUPPORT FOR THE BANK WHICH I HAD REQUESTED. THIS LEFT THE BANK IN AN ISOLATED POSITION AND AT THAT POINT I FELT THAT IT WOULD BE FAIRER TO DEPOSITORS IN GENERAL TO DRAW THE LINE BEFORE BCCHK SUFFERED SERIOUS CASH WITHDRAWALS WHICH WOULD BENEFIT SOME DEPOSITORS AT THE EXPENSE OF OTHERS. ACCORDINGLY, I ORDERED THE BANK NOT TO OPEN FOR BUSINESS ON THE MORNING OF MONDAY, JULY 8.

/SINCE THAT

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SINCE THAT TIME, AND PRIOR TO THE APPOINTMENT OF PROVISIONAL LIQUIDATORS ON JULY 17, MY OFFICERS HAVE BEEN IN CONTROL OF THE BANK. A KEY CONSIDERATION HAS BEEN TO SAFEGUARD THE ASSETS IN THE INTERESTS OF DEPOSITORS AND TO THIS END A SUBSTANTIAL AMOUNT OF FUNDS HELD IN OVERSEAS BANKS HAS BEEN TRANSFERRED TO AN ACCOUNT HELD BY BCCHK WITH THE HONGKONGBANK GROUP.

MY OFFICE HAS ALSO BEEN OCCUPIED CONTINUOUSLY IN TRYING TO FIND SOMEONE PREPARED TO ACQUIRE BCCHK AS A GOING CONCERN. THIS WAS RECOGNISED AS THE BEST SOLUTION TO THE PROBLEM. UNFORTUNATELY, IT HAS NOT PROVED POSSIBLE TO FIND SOMEONE PREPARED TO ACQUIRE THE BANK WITHOUT GUARANTEES FROM THE HONG KONG GOVERNMENT WHICH IT FELT UNABLE TO PROVIDE.

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HOSPICE CARE SERVICE DEPENDS ON CONTINUOUS FINANCIAL SUPPORT

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THE HOSPICE CARE SERVICE OF NAM LONG HOSPITAL DEPENDS HEAVILY ON PUBLIC DONATIONS AND CONTINUOUS FINANCIAL SUPPORT, LADY WILSON SAID TONIGHT (FRIDAY).

IN ORDER TO MAINTAIN SERVICES AT NAM LONG, AND KEEP THEM AT A HIGH STANDARD, FUNDS NEED TO BE FOUND, SHE SAID.

SPEAKING AT THE HONG KONG MEDICAL ASSOCIATION CHARITY CONCERT AT THE ACADEMY FOR PERFORMING ARTS, LADY WILSON SAID THE PROCEEDS OF THE CONCERT WOULD BE DONATED TO THE HONG KONG ANTI-CANCER SOCIETY FOR THE HOSPICE CARE SERVICE OF NAM LONG HOSPITAL.

POINTING OUT THAT IT WAS A VERY SAD FACT OF LIFE THAT MORE THAN 8,000 MEN, WOMEN AND CHILDREN DIED OF CANCER EACH YEAR IN THE TERRITORY, LADY WILSON NOTED THAT THEIR NEEDS HAD TENDED TO BE OVERLOOKED UNTIL VERY RECENTLY.

"FOR SUCH PATIENTS, MEDICAL SCIENCE MAY OFFER NO CURE - BUT WE CAN HELP IN OTHER WAYS.

"IN FACT, HOSPICE CARE, AS MANY OF YOU ALREADY KNOW, ALLOWS PATIENTS, AND THEIR FAMILIES TO BE TOGETHER MORE QUIETLY, TO RECEIVE PAIN CONTROL BY PEOPLE WHO HAVE IDEALLY BEEN ESPECIALLY TRAINED, AND TO LIVE IN AN ATMOSPHERE WHERE INDIVIDUAL NEEDS CAN BE TAKEN INTO ACCOUNT," LADY WILSON SAID.

SHE SAID MUCH COULD BE DONE TO IMPROVE PATIENTS' QUALITY OF LIFE IN THE TIME THAT REMAINED, ADDING THAT SHE WAS VERY MOVED AND IMPRESSED RECENTLY TO VISIT NAM LONG HOSPITAL WHERE JUST SUCH NEEDS WERE BEING CATERED FOR.

/"THE DIFFERENCE

"THE DIFFERENCE THIS MEANS FOR PATIENTS AND THEIR FAMILIES IS VISIBLE," SHE SAID.

"FACING THE FACT THAT A LOVED ONE WILL DIE, IS SOMETHING THAT TAKES A LOT OF COMING TO TERMS WITH, FOR THE ENTIRE FAMILY.

"IF WE AS A COMMUNITY CAN HELP PEOPLE TO FEEL THAT WHOEVER HAS BEEN SMITTEN IN THIS CRUEL WAY, CAN AT LEAST BE SURE TO HAVE THE CARE AND ATTENTION OF PEOPLE WHO KNOW HOW TO HELP, AND IN CONDITIONS WHICH CATER ESPECIALLY FOR THEIR NEEDS, OUR WHOLE SOCIETY WILL BENEFIT," LADY WILSON SAID.

SHE SAID WE SHOULD NOT WAIT UNTIL THIS SITUATION HIT US PERSONALLY AND THAT IT WAS EVIDENT THAT THERE WERE ALREADY MANY FAMILIES WHO NEEDED HELP.

"HAVING SEEN WHAT IS BEING DONE AT NAM LONG WHICH IS RUN BY THE HONG KONG ANTI-CANCER SOCIETY," LADY WILSON SAID, "I REALISE THAT IN ORDER TO BE MOST EFFECTIVE A HOSPICE SHOULD NOT BE TOO LARGE, SHOULD BE HIGHLY PROFESSIONAL, AND EQUIPPED WITH UP TO DATE FACILITIES WITH DOCTORS AND NURSES WHO KNOW ALL THERE IS TO KNOW ABOUT PAIN CONTROL."

SHE ADDED THAT THE DEDICATION AND CARE OF ALL THE PEOPLE SHE MET AT NAM LONG WAS QUITE OVERWHELMING.

"IT WAS HEART WARMING TO FIND A GROUP OF MEDICAL PROFESSIONALS GIVING THEIR TIME AND ENERGY TO SUCH A GOOD CAUSE, TAKING A LEADING ROLE IN HELPING AND GETTING OTHERS TO DO THE SAME," LADY WILSON SAID.

NOTE TO EDITORS:

LADY WILSON'S SPEECH WILL BE SENT BY FACSIMILE.

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PLANNING COMMITTEES SET UP UNDER TOWN PLANNING BOARD

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THE GOVERNMENT TODAY (FRIDAY) ANNOUNCED THE SETTING UP OF TWO PLANNING COMMITTEES UNDER THE TOWN PLANNING BOARD WITH EFFECT FROM JULY 18 AND THE APPOINTMENT OF MEMBERS TO THESE COMMITTEES.

THE TWO COMMITTEES ARE THE METRO PLANNING COMMITTEE AND THE RURAL AND NEW TOWN PLANNING COMMITTEE.

THE METRO PLANNING COMMITTEE WILL LOOK AFTER STATUTORY PLANNING MATTERS IN RELATION TO HONG KONG ISLAND, KOWLOON, TSUEN WAN, KWAI CHUNG, TSING YI AND TSUEN WAN WEST, WHILE THE RURAL AND NEW TOWN PLANNING COMMITTEE WILL LOOK AFTER STATUTORY PLANNING MATTERS IN RELATION TO THE NEW TERRITORIES WHICH ARE CURRENTLY COVERED BY OUTLINE ZONING PLANS (OZP) FOR NEW TOWNS AND DEVELOPMENT PERMISSION AREA PLANS (DPA) FOR RURAL AREAS.

"THE MAIN OBJECTIVE OF FORMING PLANNING COMMITTEES IS TO BETTER DISCHARGE THE FUNCTIONS OF THE TOWN PLANNING BOARD," A GOVERNMENT SPOKESMAN SAID.

"WITH THE GROWING CONCERN OF THE COMMUNITY IN BETTER PLANNING OF THE TERRITORY AND THE EXTENT OF PLANNING CONTROL TO COVER WIDER AREAS SUCH AS NEW TOWNS AND RURAL AREAS, IT IS EXPECTED THAT THE WORKLOAD FOR THE TOWN PLANNING BOARD WILL INCREASE TREMENDOUSLY.

"THE NEW STRUCTURE WILL ENABLE THE BOARD TO DELEGATE SOME OF ITS FUNCTIONS TO THE RESPECTIVE PLANNING COMMITTEES," HE ADDED.

THE DISTRIBUTION OF FUNCTIONS BETWEEN THE TOWN PLANNING BOARD AND THE PLANNING COMMITTEES ARE AS FOLLOWS:

(A) TOWN PLANNING BOARD

- * TO GIVE PRELIMINARY CONSIDERATION AND HEARING OF OBJECTIONS TO OZP AND DPA PLANS;
- * TO REVIEW HEARING OF PLANNING APPLICATIONS REJECTED BY THE PLANNING COMMITTEES;
- * TO SUBMIT PLANS TO GOVERNOR IN COUNCIL;
- * TO ADOPT PERIODICAL REPORTS FROM THE TWO PLANNING COMMITTEES AND PUBLIC OFFICERS TO WHOM THE BOARD'S AUTHORITY HAVE BEEN DELEGATED; AND
- * TO DEAL WITH TERRITORY-WIDE POLICY ISSUE SUCH AS DEVELOPMENT OF PLANNING GUIDELINES.

(B) PLANNING COMMITTEES (PC)

- * TO CONSIDER NEW OUTLINE ZONING PLANS AND DEVELOPMENT PERMISSION AREAS PLANS;
- * TO MAKE AMENDMENTS TO DRAFT PLANS; AND
- * TO CONSIDER PLANNING APPLICATIONS FOR DESIGNATE DEVELOPMENT PERMISSION AREAS.

EACH PLANNING COMMITTEE COMPRISES FIVE OFFICIAL AND 12 NON-OFFICIAL MEMBERS. THEY ARE APPOINTED BY THE GOVERNOR FROM AMONG CURRENT MEMBERS OF THE TOWN PLANNING BOARD.

THE TWO PLANNING COMMITTEES WILL BE CHAIRED BY THE DIRECTOR OF PLANNING. DR SAMUEL WONG PING-WAI HAS BEEN APPOINTED VICE-CHAIRMAN OF THE METRO PLANNING COMMITTEE WHILE MR CARLOS CHEUNG HON-KOU VICE-CHAIRMAN OF THE RURAL AND NEW TOWN PLANNING COMMITTEE.

THE FULL MEMBERSHIP LIST OF THE TWO PLANNING COMMITTEES ARE PUBLISHED IN TODAY'S GAZETTE.

THE PLANNING COMMITTEES WILL MEET TWICE A MONTH WHILE THE TOWN PLANNING BOARD WILL MEET ONCE EVERY MONTH.

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\$301-MILLION CONTRACT FOR BUILDING OF POLICE LAUNCHES SIGNED
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THE ACTING DIRECTOR OF MARINE, MR ALLAN PYRKE, TODAY (FRIDAY) SIGNED A \$301-MILLION CONTRACT FOR THE BUILDING OF SIX MARINE POLICE COMMAND/PATROL LAUNCHES BY THE AUSTRALIAN SHIPBUILDING INDUSTRIES (WA) PTY. LTD.

MR PYRKE SAID: "THE SIGNING CEREMONY TODAY MARKS THE COMMENCEMENT OF ONE OF THE LAST MAJOR ELEMENTS OF THE POLICE VESSEL REPLACEMENT PROGRAMME AGREED BY THE LEGISLATIVE COUNCIL IN 1980.

"THE CRAFT THAT WILL BE BUILT ARE FAST PATROL LAUNCHES WHICH HAVE A DIVISIONAL COMMAND CAPABILITY AND ARE EXPECTED TO BE DELIVERED FOR SERVICE IN HONG KONG OVER A SIX MONTH PERIOD COMMENCING IN FEBRUARY 1993."

THE GENERAL MANAGER OF AUSTRALIAN SHIPBUILDING INDUSTRIES (WA) PTY. LTD, MR JOHN GALLACHER OFFICIATED AT TODAY'S SIGNING CEREMONY.

ALSO OFFICIATED AT THE CEREMONY WERE THE AUSTRALIAN CONSUL-GENERAL IN HONG KONG, MR G.R. BENTLEY AND THE CHIEF STAFF OFFICER (ADMINISTRATION AND SUPPORT) OF THE MARINE POLICE, MR JOHN PETTENGELL.

MR PYRKE TOLD THE GATHERING THAT THE SIGNING CEREMONY ALSO MARKED ANOTHER IMPORTANT MILESTONE IN THE PROCUREMENT OF GOVERNMENT VESSELS.

A TEAM OF SIX GOVERNMENT OFFICIALS UNDERTOOK A MARKET SURVEY IN 1989 AND LAST (1990) YEAR DURING WHICH THEY VISITED EIGHT COUNTRIES AS WELL AS SURVEYING THE LOCAL MARKET.

MR PYRKE SAID: "THE PURPOSE OF THIS MARKET SURVEY WAS TO VISIT SHIPBUILDERS WHO ARE PRODUCING SIMILAR CRAFT TO THOSE NEEDED BY THE POLICE AND TO VISIT THEIR CUSTOMERS WHO WERE USING SUCH CRAFT.

"THIS ENABLED THE GOVERNMENT TO GAIN BENEFIT FROM OTHER PEOPLE'S EXPERIENCE, TO USE A BOAT OF PROVEN CAPABILITY AND AVOID THE PROBLEMS USUALLY ASSOCIATED WITH ANY NEW DESIGN.

"IN OTHER WORDS WE ARE BUYING OFF THE SHELF AND NOT STARTING FROM SCRATCH AS WE HAVE DONE BEFORE WITH MAJOR VESSELS."

THIS SURVEY COVERED 30 SIMILAR PATROL CRAFT AND LED TO FIVE SHIPBUILDERS FROM AUSTRALIA, THE UNITED KINGDOM AND HONG KONG BEING INVITED TO TENDER.

MR PYRKE SAID: "THE CONTRACT WILL COST THE HONG KONG TAXPAYERS SOME \$300 MILLION AND WE ARE CONFIDENT IT REPRESENTS THE BEST VALUE FOR MONEY.

"I KNOW MY STAFF, AS WELL AS THOSE OF OTHER GOVERNMENT DEPARTMENTS, ARE COMMITTED TO ENSURING SHIPBUILDERS PROVIDE A HIGH QUALITY PRODUCT THAT HAS SUSTAINABLE PERFORMANCE AND LOW MAINTENANCE AND RUNNING COSTS AND THUS BETTER SERVE THE PEOPLE OF HONG KONG."

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IMPOSITION OF ANTI-DUMPING DUTIES ON HK SMALL-SCREEN TV RECEIVERS
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THE TRADE DEPARTMENT TODAY (FRIDAY) SAID IT HAD RECEIVED INFORMATION THAT THE COMMISSION OF THE EUROPEAN COMMUNITIES HAD ANNOUNCED THE IMPOSITION OF DEFINITIVE ANTI-DUMPING DUTIES ON SMALL-SCREEN COLOUR TELEVISION RECEIVERS (THOSE WITH A DIAGONAL SCREEN SIZE BETWEEN 15.5 CM AND 42 CM) ORIGINATED IN HONG KONG.

THE DUTY RATES RANGE FROM 2.1 PER CENT TO 4.8 PER CENT AND WILL BE VALID FOR FIVE YEARS.

THE PROCEEDING WAS INITIATED ON NOVEMBER 12, 1988.

A TOTAL OF SIX HONG KONG MANUFACTURERS PARTICIPATED IN THE INVESTIGATION.

PROVISIONAL ANTI-DUMPING DUTY OF THE SAME RATES (I.E. FROM 2.1 PER CENT TO 4.8 PER CENT) WAS IMPOSED BY THE COMMISSION ON JANUARY 19 THIS YEAR.

"IN THE PAST TWO YEARS, THE TRADE DEPARTMENT AND THE HONG KONG GOVERNMENT'S ECONOMIC TRADE OFFICE IN BRUSSELS HAVE MADE REPRESENTATIONS TO THE COMMISSION TO EXPLAIN THAT GIVEN HONG KONG'S OPEN ECONOMY AND THE SMALL AND MEDIUM SIZE OF HONG KONG COMPANIES, IT IS DIFFICULT TO SEE HOW A HONG KONG COMPANY COULD DUMP," DEPUTY DIRECTOR-GENERAL OF TRADE, MR ALAN LAI, SAID.

"IT IS REGRETTABLE THAT NOTWITHSTANDING THE FREE TRADE NATURE OF THE HONG KONG ECONOMY, THE COMMISSION HAS STILL DECIDED TO IMPOSE DEFINITIVE DUTIES ON TELEVISION RECEIVERS ORIGINATING IN HONG KONG.

"TOGETHER WITH THE HONG KONG MANUFACTURERS CONCERNED, THE DEPARTMENT WILL EXAMINE THE COMMISSION'S REGULATIONS TO SEE WHETHER THERE ARE ANY NEW POINTS WORTH PURSUING FURTHER," HE ADDED.

FOLLOWING THIS ANNOUNCEMENT ON SMALL SCREEN-COLOUR TELEVISION RECEIVERS, THE COMMISSION HAS COMPLETED ITS INVESTIGATIONS ON ALL THE EIGHT ANTI-DUMPING PROCEEDINGS INITIATED AGAINST HONG KONG BETWEEN DECEMBER 1987 AND MARCH 1989.

OF THESE, SIX CASES (CELLULAR MOBILE RADIO TELEPHONES, DENIM CLOTH, PHOTO ALBUMS, SILICON METAL, TUNGSTEN ORES AND AUDIO CASSETTE TAPES) HAVE BEEN TERMINATED WITHOUT IMPOSITION OF ANY ANTI-DUMPING DUTIES WHILE ANTI-DUMPING DUTIES HAVE BEEN IMPOSED IN TWO CASES (VIDEO CASSETTE TAPES AND SMALL SCREEN COLOUR TELEVISION RECEIVERS).

"ALTHOUGH WE ARE RELIEVED THAT NO NEW ANTI-DUMPING CASES INVOLVING HONG KONG HAVE BEEN INITIATED BY THE EUROPEAN COMMISSION SINCE MARCH 1989, WE WILL REMAIN ON GUARD AND CONTINUE TO MONITOR THE SITUATION CLOSELY," MR LAI SAID.

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REVOCATION OF BANKING LICENCE

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A GOVERNMENT SPOKESMAN SAID TODAY (FRIDAY) THAT THE BANKING LICENCE OF MELLON BANK HAS BEEN REVOKED BY THE GOVERNOR IN COUNCIL AT THE REQUEST OF THE BANK.

MELLON BANK WAS GRANTED A BANKING LICENCE IN 1978. AS PART OF THE RATIONALISATION OF ITS GLOBAL OPERATIONS, THE BANK HAS CEASED OPERATING IN HONG KONG SINCE APRIL 1991.

AFTER THE REVOCATION, THERE ARE 166 LICENSED BANKS IN HONG KONG, OF WHICH 136 ARE INCORPORATED OUTSIDE HONG KONG.

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GOVERNMENT ATTACHES IMPORTANCE TO CHILD SERVICES

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WHILE STEPPING UP PUBLIC EDUCATION ON HAZARDS OF LEAVING CHILDREN UNATTENDED AT HOME, THE GOVERNMENT HAS BEEN ENCOURAGING PARENTS TO MAKE USE OF VARIOUS FACILITIES FOR THE GOOD OF THEIR CHILDREN, THE ACTING DEPUTY DIRECTOR OF SOCIAL WELFARE, MR ALFRED CHUI, SAID TODAY (FRIDAY).

ADDRESSING A CHILD CARE TRAINING COURSE GRADUATION CEREMONY AT LEE WAI LEE TECHNICAL INSTITUTE, MR CHUI POINTED OUT THAT THE GOVERNMENT HAD ALSO ENCOURAGED OPERATORS OF CHILD CARE CENTRES TO ADOPT FLEXIBILITIES IN PROVIDING CHILD CARE SERVICES, INCLUDING THE SETTING UP OF OCCASIONAL CHILD CARE SERVICE AND THE ARRANGEMENT OF FLEXIBLE WORKING HOURS.

IN ADDITION, THE GOVERNMENT PLANNED TO INCREASE A FURTHER 1,400 PLACES AT SUBVENTED DAY NURSERIES ANNUALLY IN THE COMING FIVE YEARS.

AT PRESENT, THERE WERE MORE THAN 260 GOVERNMENT-AIDED DAY NURSERIES OFFERING NOT LESS THAN 31,000 PLACES, HE ADDED.

AT THE SAME TIME, MR CHUI SAID NOT SO FEW EMPLOYERS BOOSTED THEIR STAFF WELFARE BY SETTING UP WORK-BASED CHILD CARE CENTRES.

THE PROVISION OF CHILD CARE SERVICE AT WORKPLACES COULD HELP EMPLOYEES MEET THEIR NEEDS IN TAKING CARE OF THEIR CHILDREN, HE NOTED.

"CHILD CARE SERVICE IS AN ESSENTIAL PART IN FAMILY AND CHILDREN WELFARE SERVICES," MR CHUI ADMITTED, STRESSING THAT THE EXPANSION, IMPROVEMENT AND DEVELOPMENT OF THE SERVICE MUCH DEPENDED ON THE ADEQUATE SUPPLY OF OUTSTANDING CHILD CARE WORKERS.

ON THE TRAINING OF THE WORKERS, MR CHUI COMMENDED THE INSTITUTE FOR RUNNING A WIDE VARIETY OF TRAINING COURSES FOR CHILD CARE WORKERS.

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MORE VOLUNTEERS REQUIRED IN ELDERLY SERVICES

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MEMBERS OF THE PUBLIC ARE ENCOURAGED TO PARTICIPATE IN VOLUNTARY ELDERLY SERVICES TO SUPPLEMENT THOSE PROVIDED BY THE GOVERNMENT AND NON-GOVERNMENT ORGANISATIONS.

ADDRESSING THE OPENING CEREMONY OF THE CHAN TSENG HSI TSUEN WAN MULTI-SERVICE CENTRE FOR THE ELDERLY OF THE HONG KONG SOCIETY FOR THE AGED TODAY (FRIDAY), THE ACTING DIRECTOR OF SOCIAL WELFARE, MRS ROSE GOODSTADT, SAID WHILE THE GOVERNMENT AND NON-GOVERNMENT ORGANISATIONS WERE TRYING TO EXPAND AND IMPROVE THE ELDERLY SERVICES, THE DEMAND HAD YET TO BE MET IN FACE OF THE HUGE ELDERLY POPULATION.

"THE ONLY SOLUTION IS EVERY HONG KONG RESIDENT TO USE HIS SPARE TIME TO HELP OUR SENIOR CITIZENS."

"VOLUNTARY ELDERLY SERVICE IS A SIMPLE AND EASY TASK. EVERYONE IN THE COMMUNITY, INCLUDING STUDENTS, HOUSEWIVES AND WORKERS, CAN HANDLE IT EASILY," MRS GOODSTADT NOTED.

CITING AN EXAMPLE, MRS GOODSTADT ADDED THAT SERVICES SUCH AS HELPING OUR SENIOR CITIZENS IN DOMESTIC ROUTINE, ASSISTING THEM IN WRITING LETTERS OR SHOPPING OR ACCOMPANYING THEM TO VISIT MEDICAL PARTITIONERS WERE MOST WELCOMED PARTICULARLY THE SINGLETONS.

SHE POINTED OUT THAT VOLUNTEERING HAS NO AGE LIMITED. SENIOR CITIZENS COULD TAKE PART IN VOLUNTARY ELDERLY SERVICES BY SHARING THEIR EXPERIENCES THROUGH ORGANISING PROGRAMMES AND PARTICIPATING IN COMMUNITY SUPPORTIVE SERVICES.

MRS GOODSTADT ALSO COMMENDED THE HONG KONG SOCIETY FOR THE AGED'S CONTRIBUTION IN ELDERLY SERVICES, ADDING THAT THE OPENING OF THE NEW MULTI-SERVICE CENTRE WOULD STRENGTHEN THE SERVICES IN THE DISTRICT.

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PUBLIC WORKS LABORATORY CONTINUES TO PROVIDE EFFICIENT, COMPETENT TESTING SERVICES

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THE PHENOMENAL GROWTH IN PUBLIC WORKS CONSTRUCTION IN HONG KONG OVER THE PAST FEW DECADES HAS RESULTED IN AN EVER-INCREASING DEMAND FOR HIGH QUALITY CONSTRUCTION MATERIALS.

THIS WAS STATED BY THE DIRECTOR OF CIVIL ENGINEERING SERVICES, DR EDWARD BRAND, WHEN OPENING THE NEW PUBLIC WORKS CENTRAL LABORATORY IN KOWLOON BAY TODAY (FRIDAY).

DR BRAND NOTED THAT EXPECTATIONS AND STANDARDS HAD RISEN WITH TIME.

"IT IS RIGHT AND PROPER THAT OUR ENGINEERS AND ARCHITECTS WILL ONLY ACCEPT MATERIALS AND WORKMANSHIP WHICH MEET THE EXACTING REQUIREMENTS OF OUR LATEST SPECIFICATIONS," HE SAID.

"WE IN HONG KONG CAN BE PROUD OF OUR ACHIEVEMENTS. OUR ENGINEERS, ARCHITECTS AND BUILDERS HAVE EARNED WELL-DESERVED RECOGNITION AND RESPECT THROUGHOUT THE WORLD FOR THEIR PART IN THE DEVELOPMENT OF THIS DYNAMIC PLACE.

"THE PUBLIC WORKS LABORATORY, THROUGH THE PROFESSIONALISM AND DEDICATION OF ITS MANAGEMENT AND STAFF, HAS MADE A SIGNIFICANT CONTRIBUTION TOWARDS THIS INTERNATIONAL RECOGNITION.

"IN ITS NEW BUILDING, IT IS VERY WELL PLACED TO CONTINUE TO DO SO, PARTICULARLY BY PROVIDING EFFICIENT AND COMPETENT TESTING SERVICES FOR PROJECTS ASSOCIATED WITH THE NEW AIRPORT, AND LATER, WITH THE PLANNED DEVELOPMENT OF THE PORT."

THE FIRST PUBLIC WORKS LABORATORY WAS FIRST ESTABLISHED IN 1949 AS A SITE LABORATORY FOR THE CONSTRUCTION OF KAI TAK AIRPORT.

SINCE 1988, IT HAS BEEN ACCREDITED UNDER THE HONG KONG LABORATORY ACCREDITATION SCHEME TO CARRY OUT TESTS ON AGGREGATES, CEMENT, CONCRETE, PULVERISED FUEL ASH AND STEEL, AS WELL AS CALIBRATION SERVICES.

THE NEW PURPOSE-BUILT PUBLIC WORKS CENTRAL LABORATORY COVERS 3,500 SQUARE METRES OF FLOOR AREA WHICH IS THREE TIMES AS LARGE AS ITS PREVIOUS PREMISES IN NORTH POINT.

THE TESTING EQUIPMENT TRANSFERRED FROM NORTH POINT INCLUDES MUCH THAT WAS DESIGNED AND BUILT BY THE LABORATORY'S OWN TALENTED STAFF. IN ADDITION, OVER \$5 MILLION WORTH OF NEW EQUIPMENT HAS BEEN INSTALLED IN THIS NEW FACILITY.

THE PUBLIC WORKS CENTRAL LABORATORY AND FIVE OTHER REGIONAL LABORATORIES ARE UNDER THE ADMINISTRATION OF THE GEOTECHNICAL CONTROL OFFICE OF THE CIVIL ENGINEERING SERVICES DEPARTMENT.

TOGETHER THEY EMPLOY MORE THAN 160 STAFF MEMBERS, OF WHOM 10 ARE PROFESSIONALLY QUALIFIED ENGINEERS.

"IN THE YEARS TO COME, THE SUCCESSFUL COMPLETION OF OUR EVER-INCREASING PUBLIC WORKS PROGRAMME WILL RELY, IN PART, ON THEIR DEDICATION AND TECHNICAL SKILLS.

"IT IS REASSURING FOR US TO KNOW THAT THE STAFF OF THE LABORATORIES CONTINUE TO BE COMMITTED TO RAISING THE STANDARDS OF BOTH MATERIALS TESTING AND STAFF TRAINING THROUGHOUT THE TERRITORY," DR BRAND ADDED.

FRIDAY, JULY 19, 1991

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GOVERNMENT LAND FOR SALE BY TENDER

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THE BUILDINGS AND LANDS DEPARTMENT IS INVITING TENDERS FOR THE SALE OF A PIECE OF GOVERNMENT LAND AT AREA 18 IN FANLING.

THE SITE, MEASURING ABOUT 19,470 SQUARE METRES, IS FOR PRIVATE SECTOR PARTICIPATION SCHEME AND NON-INDUSTRIAL (EXCLUDING GODOWN) PURPOSES.

THE BUILDING COVENANT STIPULATES THAT THE GROSS FLOOR AREA FOR RESIDENTIAL PURPOSES SHOULD NOT EXCEED 97,960 SQUARE METRES AND THE GROSS FLOOR AREA FOR NON-INDUSTRIAL (EXCLUDING RESIDENTIAL AND GODOWN) PURPOSES SHOULD NOT EXCEED 1,030 SQUARE METRES.

THE DEADLINE FOR SUBMISSION OF TENDERS IS 12 NOON ON SEPTEMBER 13.

FORM OF TENDER, TENDER NOTICE AND CONDITIONS MAY BE OBTAINED FROM AND TENDER PLAN INSPECTED AT THE BUILDINGS AND LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, AND THE DISTRICT LANDS OFFICE KOWLOON, YAU MA TEI CARPARK BUILDING, 10TH FLOOR, 250 SHANGHAI STREET.

TENDER DOCUMENTS WILL ALSO BE AVAILABLE AT THE DISTRICT LANDS OFFICES OF SHA TIN, TAI PO, NORTH, YUEN LONG, TUEN MUN, TSUEN WAN, KWAI TSING, SAI KUNG AND ISLANDS.

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GOVERNMENT LAND SALE BY AUCTION

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TWO LOTS OF GOVERNMENT LAND WILL BE OFFERED FOR SALE AT A PUBLIC AUCTION BY THE BUILDINGS AND LANDS DEPARTMENT AT THE CITY HALL THEATRE ON AUGUST 15.

THE AUCTION WILL BEGIN AT 2.30 PM.

BOTH LOTS ARE LOCATED IN KOWLOON.

LOCATED IN AREA 2 OFF TAT CHEE AVENUE, YAU YAT TSUEN, THE SITE HAS AN AREA OF ABOUT 5,555 SQUARE METRES. IT IS INTENDED FOR PRIVATE RESIDENTIAL PURPOSES.

ACCORDING TO THE BUILDING COVENANT, A GROSS FLOOR AREA OF NOT LESS THAN 9,166 SQUARE METRES HAS TO BE COMPLETED ON OR BEFORE SEPTEMBER 30, 1994.

/THE OTHER

THE OTHER LOT IS LOCATED AT ARGYLE STREET. WITH AN AREA OF ABOUT 5,678 SQUARE METRES, THE SITE IS FOR PRIVATE RESIDENTIAL PURPOSES.

THE DEVELOPER HAS TO COMPLETE A GROSS FLOOR AREA OF NOT LESS THAN 15,330 SQUARE METRES ON OR BEFORE AUGUST 14, 1995.

FULL PARTICULARS AND CONDITIONS OF SALE MAY BE OBTAINED FROM AND SALE PLANS INSPECTED AT, THE BUILDINGS AND LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG AND THE DISTRICT LANDS OFFICES KOWLOON, YAU MA TEI CARPARK BUILDING, 10TH FLOOR, 250 SHANGHAI STREET, KOWLOON.

CONDITIONS OF SALE WILL ALSO BE AVAILABLE AT THE DISTRICT LANDS OFFICES OF SHA TIN, TUEN MUN, YUEN LONG, TSUEN WAN, SAI KUNG, KWAI TSING, TAI PO, NORTH AND ISLANDS.

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FORMER KOWLOON BRITISH SCHOOL DECLARED MONUMENT
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THE FORMER KOWLOON BRITISH SCHOOL AT 136 NATHAN ROAD, TSIM SHA TSUI, WAS TODAY (FRIDAY) GAZETTED AS HISTORICAL BUILDING UNDER THE ANTIQUITIES AND MONUMENTS ORDINANCE.

THE BUILDING IS THE OLDEST SURVIVING SCHOOL BUILDING CONSTRUCTED FOR FOREIGN RESIDENTS IN THE TERRITORY. IT WAS DESIGNED BY MR PALMER AND TURNER AND IS THE TYPICAL OF BUILDINGS CONSTRUCTED IN THE VICTORIA ERA.

IN LATE 19TH CENTURY, SOME BRITISH RESIDENTS IN THE KOWLOON PENINSULA HAD STARTED A SCHOOL FOR THEIR CHILDREN IN A MAT SHED AT KIMBERLY ROAD. IT WAS FORCED TO CLOSE DOWN SHORTLY AFTERWARDS DUE TO THE SHORTAGE OF FUNDS AND THE DIFFICULTY OF ENLISTING TRAINED TEACHERS.

IN 1900, SIR ROBERT HO (THEN MR HO TUNG) HAD DONATED AN AMOUNT OF \$15,000 TO CONSTRUCT A SCHOOL AT NATHAN ROAD WITH HIS INITIAL TARGET FOR ALL NATIONALITIES. IT WAS SUBSEQUENTLY DECIDED THAT THE SCHOOL SHOULD CATER FOR BRITISH CHILDREN ONLY AND IT WAS NAMED THE KOWLOON BRITISH SCHOOL.

THE FOUNDATION STONE WAS LAID ON JULY 10, 1900 BY SIR HENRY BLAKE, THE THEN GOVERNOR OF HONG KONG.

CONSTRUCTION OF THE SCHOOL WAS COMPLETED IN EARLY 1902 AND IT WAS OFFICIALLY OPENED BY THE OFFICER ADMINISTERING THE GOVERNMENT, MAJOR-GENERAL W.J. GASCOIGNE, ON APRIL 12, 1902, IN THE PRESENCE OF MR HO TUNG AND A LARGE GATHERING.

THE SCHOOL WAS INTENDED MAINLY TO BE A PRIMARY SCHOOL CATERING FOR ABOUT 60 PUPILS. HOWEVER, IN 1920'S, THE SCHOOL ALSO PROVIDED SECONDARY EDUCATION AND THE NUMBER OF PUPILS WAS THEN INCREASED TO OVER 200.

/IN ORDER

IN ORDER TO COPE WITH THE RAPID EXPANSION OF THE SCHOOL, ANOTHER SCHOOL BUILDING WAS BUILT IN 1936 AT TIN KWONG ROAD, HOMANTIN. THE ORIGINAL SCHOOL WAS RENAMED THE CENTRAL BRITISH SCHOOL. IT WAS DESIGNATED THE KING GEORGE V SCHOOL IN 1948.

ALTHOUGH IT WAS NOT CLEAR WHEN THE BUILDING AT NATHAN ROAD WAS VACATED BY THE SCHOOL, RECORDS HAD SHOWN THAT THE BUILDING WAS PROBABLY USED BY THE FAMILY WELFARE SOCIETY AFTER WORLD WAR II.

FROM 1957 UNTIL RECENTLY, IT WAS OCCUPIED BY THE TSIM SHA TSUI KAIFONG WELFARE ASSOCIATION, WHICH HAS NOW BEEN RELOCATED TO A PURPOSE-BUILT MULTI-STOREY COMPLEX TO THE EAST OF THE BUILDING.

THE BUILDING HAS BEEN ALLOCATED TO THE ANTIQUITIES AND MONUMENTS OFFICE, RECREATION AND CULTURE BRANCH, FOR USE AS ITS PERMANENT HOME. RESTORATION WORK IS BEING CARRIED OUT BY THE ANTIQUITIES SECTION OF THE ARCHITECTURAL SERVICES DEPARTMENT AND IT IS EXPECTED TO BE COMPLETED LATER THIS YEAR.

THE ORIGINAL SCHOOL HALL WILL BE USED TO MOUNT DISPLAY. EDUCATIONAL ACTIVITIES WILL ALSO BE ORGANISED THERE TO PROMOTE PRESERVATION OF HERITAGE IN THE TERRITORY.

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SHA TIN OZP REFERRED BACK FOR AMENDMENTS

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THE GOVERNOR IN COUNCIL HAS REFERRED THE SHA TIN OUTLINE ZONING PLAN TO THE TOWN PLANNING BOARD FOR AMENDMENTS IN ORDER TO KEEP ABREAST OF CHANGES IN LAND USE AND DEVELOPMENT PROPOSALS IN THE AREA.

A SPOKESMAN FOR THE BOARD TODAY (FRIDAY) SAID THE NEED FOR AMENDMENTS WAS MAINLY RELATED TO THE PROPOSED DEVELOPMENT OF A REFUSE TRANSFER STATION (RTS) AND DANGEROUS GOODS GODOWNS TO BE LOCATED AT THE TURRET HILL QUARRY IN SHA TIN AREA 65B WHICH WAS CURRENTLY ZONED 'GREEN BELT' ON THE APPROVED PLAN.

"IN VIEW OF THE SCALE AND ENVIRONMENTAL IMPACT OF THE PROPOSED RTS, IT IS CONSIDERED MORE APPROPRIATE TO REZONE THE SITE TO 'OTHER SPECIFIED USES' WITH APPROPRIATE ANNOTATION ON THE PLAN SO AS TO REFLECT THE PROPOSED RTS USE," HE SAID.

HE ALSO SAID ADJACENT TO THE RTS DEVELOPMENT, IN AREA 65B, TWO SITES HAD BEEN PROPOSED FOR DANGEROUS GOODS GODOWNS TO REPLACE THE INDUSTRIAL SITES CURRENTLY RESERVED IN SHA TIN AREAS 11 AND 14 FOR THE SAME PURPOSE.

HE EXPLAINED THAT THE PROPOSED AREA WAS CONSIDERED TO BE A BETTER LOCATION FOR DANGEROUS GOODS GODOWNS BECAUSE IT WOULD BE FURTHER AWAY FROM AREAS OF POPULATION CONCENTRATION. REZONING OF THE AREA FROM 'GREEN BELT' TO 'INDUSTRIAL' IS NECESSARY.

/MEANWHILE, IN

MEANWHILE, IN ADDITION TO THESE CHANGES, THE APPROVED PLAN NEEDS TO BE AMENDED TO INCORPORATE OTHER CURRENT PLANNING PROPOSALS FOR SHA TIN NEW TOWN.

THESE INCLUDE THE REZONING OF THE TATE'S CAIRN TUNNEL PORTAL AREA FROM VARIOUS ZONED USES (SUCH AS 'GOVERNMENT/INSTITUTION/COMMUNITY') TO 'ROAD' TO REFLECT THE ACTUAL USE OF THE AREA.

THE SPOKESMAN ADDED THAT ANY FUTURE AMENDMENTS TO THE PLAN WOULD BE EXHIBITED FOR PUBLIC INSPECTION AND OBJECTIONS IN ACCORDANCE WITH THE PROVISIONS OF THE TOWN PLANNING ORDINANCE.

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LATEST APPROACHES TO CAREERS EDUCATION EXPLORED

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PRACTITIONERS IN CAREERS EDUCATION SHOULD KEEP ABREAST OF THE TIMES AND EXPLORE THE LATEST AND MOST EFFECTIVE APPROACHES TO CAREERS EDUCATION IN TODAY'S CHANGING WORLD.

THIS WAS STRESSED BY THE ASSISTANT COMMISSIONER FOR LABOUR, MR ALFRED CHAN, TODAY (FRIDAY) AT THE OPENING OF THE SEMINAR ON CAREERS EDUCATION WHICH WAS DESIGNED TO UPDATE CAREERS TEACHERS ON THE LATEST DEVELOPMENT IN THE THEORY AND PRACTICE OF CAREERS EDUCATION.

MR CHAN SAID: "THE LABOUR DEPARTMENT ALWAYS PAYS CLOSE ATTENTION TO THE CHANGING REQUIREMENTS IN CAREERS EDUCATION AND IS COMMITTED TO PROVIDING AN EFFECTIVE CAREERS ADVISORY SERVICE FOR YOUNG PEOPLE."

HE NOTED THAT THE ANNUAL CAREERS EXHIBITION ORGANISED BY THE LABOUR DEPARTMENT WOULD TAKE A NEW FORMAT NEXT FEBRUARY WHEN THE DEPARTMENT AND THE HONG KONG TRADE DEVELOPMENT COUNCIL JOINTLY STAGED THE "EDUCATION AND CAREERS EXPO '92".

"THE EXPO WILL BE PARTICIPATED BY AS MANY AS SEVERAL HUNDRED EXHIBITORS, INCLUDING EDUCATION INSTITUTES, GOVERNMENT DEPARTMENTS, PROFESSIONAL BODIES AND THE PRIVATE SECTOR, WHICH WILL PRESENT EDUCATION AND CAREERS INFORMATION TO YOUNG PEOPLE, PARENTS AND TEACHERS," HE SAID.

"MOREOVER, THE DEPARTMENT HAS PRODUCED 12 CAREERS EDUCATION FILMS ON THE PRINCIPLES OF CAREERS EDUCATION AND VARIOUS TRADES AND PROFESSIONS.

"THEY ARE NOW AVAILABLE FOR VIEWING AT THE CAREERS INFORMATION CENTRES OF THE CAREERS ADVISORY SERVICE AND CAN BE ON LOAN TO SCHOOLS AND VOLUNTARY AGENCIES," MR CHAN ADDED.

MEANWHILE, THE ASSISTANT DIRECTOR OF EDUCATION (SERVICES), MRS GRACE YUNG, ALSO HIGHLIGHTED AT THE OPENING OF TODAY'S SEMINAR THE IMPORTANCE OF FURTHER EDUCATION FOR STUDENTS IN CAREER PLANNING.

/MRS YUNG

MRS YUNG POINTED OUT THAT MORE OPPORTUNITIES FOR TERTIARY EDUCATION WOULD BE AVAILABLE TO SECONDARY SCHOOL LEAVERS IN THE NEXT FEW YEARS, WITH PLACES FOR DEGREE PROGRAMMES FOR ABOUT 60 PER CENT OF ALL FORM 6 GRADUATES BY 1994.

"IN VIEW OF THIS NEW DEVELOPMENT, CAREERS TEACHERS SHOULD TAKE ON THE URGENT TASK OF ADVISING STUDENTS ON THE FUTURE COURSE OF EDUCATION TO TAKE WHICH BEST SUITED THEIR INTEREST, TALENT AND ABILITY.

"THIS WILL, IN EFFECT, HELP THEM MAKE GOOD PREPARATIONS FOR THEIR FUTURE CAREERS," SHE STRESSED.

MRS YUNG ALSO URGED CAREERS TEACHERS TO ENROL IN TRAINING COURSES RELATED TO EDUCATION AND CAREERS COUNSELLING, PARTICULARLY THE ONE-YEAR PART-TIME CERTIFICATE COURSE FOR CAREERS MASTERS OFFERED BY THE UNIVERSITY OF HONG KONG.

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TWO NEW AAB MEMBERS APPOINTED
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THE GOVERNOR HAS APPOINTED MR LEUNG KAM-HO AND MR PAUL YOUNG TZE-KONG AS MEMBERS OF THE ANTIQUITIES ADVISORY BOARD (AAB) FOR A PERIOD OF ONE-AND-A-HALF YEAR WITH EFFECT FROM JULY 1 TO DECEMBER 31, NEXT YEAR, IT WAS GAZETTED TODAY (FRIDAY).

MR LEUNG, A CHARTERED SURVEYOR, IS A MEMBER OF THE REGIONAL COUNCIL.

MR YOUNG, A COMPANY DIRECTOR, IS A MEMBER OF THE URBAN COUNCIL.

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ACTION AGAINST ILLEGAL STRUCTURES IN KOWLOON
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THE BUILDING AUTHORITY IS SEEKING TO TAKE ACTION AGAINST CERTAIN UNAUTHORISED BUILDING WORKS IN YAU MA TEI SO THAT THEY CAN BE DEMOLISHED WITHOUT DANGER TO THE OCCUPIERS AND THE PUBLIC.

THEY ARE LOCATED AT FLAT A, THIRD FLOOR, 14-16 JORDAN ROAD.

NOTICE OF INTENTION TO APPLY FOR A CLOSURE ORDER FROM THE HONG KONG DISTRICT COURT ON AUGUST 30 THIS YEAR WAS POSTED ON THE PREMISES TODAY (FRIDAY).

MEANWHILE, SIMILAR ACTION WILL BE TAKEN AGAINST CERTAIN UNAUTHORISED BUILDING WORKS AT THE THIRD FLOOR, 1 BERWICK STREET, SHEK KIP MEI.

NOTICE OF INTENTION TO APPLY FOR A CLOSURE ORDER FROM THE HONG KONG DISTRICT COURT ON AUGUST 29 THIS YEAR HAS ALREADY BEEN POSTED ON THE PREMISES.

IT IS EXPECTED THAT DEMOLITION WORKS WILL START ONCE THE CLOSURE ORDERS ARE GRANTED.

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FRIDAY, JULY 19, 1991

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TENDERS FOR CONSTRUCTION OF SERVICE RESERVOIR AT NORTH LANTAU
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THE WATER SUPPLIES DEPARTMENT IS INVITING TENDERS FOR THE CONSTRUCTION OF TAI TUNG SHAN SERVICE RESERVOIR AT TUNG CHUNG ROAD ON LANTAU ISLAND.

THE CONTRACT INCLUDES THE CONSTRUCTION OF A SERVICE RESERVOIR OF 4,500 CUBIC METRES IN CAPACITY AND THE ASSOCIATED SITE FORMATION WORKS.

THIS IS THE FOURTH OF THE SIX CONTRACTS TO BE AWARDED UNDER THE TEMPORARY WATER SUPPLY TO NORTH LANTAU PROJECT, WHICH IS REQUIRED TO SUPPLY WATER IN EARLY 1992 TO MEET THE ANTICIPATED DEMAND FOR THE NEW AIRPORT CONSTRUCTION.

THE WHOLE PROJECT COMPRISES A PUMPING STATION AT CHEUNG SHA, TREATMENT WORKS NEAR PAK KUNG AU, 7.3 KILOMETRES OF WATER MAINS FOR THE DISTRIBUTION OF WATER TO TUNG CHUNG AREAS UP TO TAI PO, AND A SERVICE RESERVOIR AT THE FOOTHILL OF TAI TUNG SHAN.

WORKS ON THE SERVICE RESERVOIR ARE EXPECTED TO BEGIN IN OCTOBER AND TAKE 10 MONTHS TO COMPLETE.

FORMS OF TENDER AND FURTHER PARTICULARS MAY BE OBTAINED FROM THE WATER AUTHORITY, 44TH FLOOR, WANCHAI TOWER II, 7 GLOUCESTER ROAD, HONG KONG.

THE DEADLINE FOR SUBMITTING TENDERS IS NOON ON AUGUST 9.

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS
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	DATE	\$ MILLION
CLOSING BALANCE IN THE ACCOUNT ON	18.7.91	806
EFFECT OF FORWARDS TO BE SETTLED ON	19.7.91	-30*
EFFECT OF OPERATIONS THIS MORNING		-236
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL
* O/N ASSISTANCE TO BE REVERSED		-266MN
OTHER FORWARDS		+236MN

TRADE WEIGHTED INDEX 113.5 *-0.1* 19.7.91

/HONG KONG

FRIDAY, JULY 19, 1991

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HONG KONG GOVERNMENT EXCHANGE FUND

CLOSING YIELDS OF EXCHANGE FUND BILLS

	18.7.91	19.7.91
MATURING IN 1 WEEK	5.46 PCT	5.81 PCT
1 MONTH	5.85 PCT	5.93 PCT
3 MONTHS	6.28 PCT	6.28 PCT
6 MONTHS	6.32 PCT	6.35 PCT
12 MONTHS	6.73 PCT	6.75 PCT
TOTAL BILLS TRANSFERRED	7,045 MN	6,913 MN

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