

**立法會**  
**Legislative Council**

LC Paper No. CB(3) 200/14-15

**Paper for the House Committee meeting  
of 28 November 2014**

**Questions scheduled for the  
Legislative Council meeting of 3 December 2014**

Questions by:

- |      |  |                               |
|------|--|-------------------------------|
| (1)  | Hon LEUNG Kwok-hung  | (Oral reply)                  |
| (2)  | Hon CHAN Han-pan   | (Oral reply)                  |
| (3)  | Ir Dr Hon LO Wai-ki  | (Oral reply)                  |
| (4)  | Hon CHUNG Kwok-pan<br><i>(Replacing his previous question)</i>                   | (Oral reply) (New question)   |
| (5)  | Hon Cyd HO   | (Oral reply)                  |
| (6)  | Hon Ronny TONG<br><i>(Dr Hon LAM Tai-fai has given up the<br/>question slot)</i> | (Oral reply) (New question)   |
| (7)  | Hon Tony TSE   | (Written reply)               |
| (8)  | Hon Frankie YICK   | (Written reply)               |
| (9)  | Hon SIN Chung-kai  | (Written reply)               |
| (10) | Hon James TIEN   | (Written reply)               |
| (11) | Hon James TO   | (Written reply)               |
| (12) | Dr Hon Kenneth CHAN  | (Written reply)               |
| (13) | Hon WU Chi-wai   | (Written reply)               |
| (14) | Hon Charles Peter MOK  | (Written reply)               |
| (15) | Dr Hon Elizabeth QUAT  | (Written reply)               |
| (16) | Hon Kenneth LEUNG  | (Written reply)               |
| (17) | Dr Hon LAM Tai-fai<br><i>(Replacing his previous question)</i>                   | (Written reply)(New question) |
| (18) | Dr Hon Elizabeth QUAT  | (Written reply)               |
| (19) | Hon Mrs Regina IP  | (Written reply)               |
| (20) | Hon CHAN Hak-kan   | (Written reply)               |
| (21) | Hon LEUNG Kwok-hung  | (Written reply)               |
| (22) | Hon Paul TSE   | (Written reply)               |

註 :

NOTE :

# 議員將採用這種語言提出質詢

# Member will ask the question in this language

## Shanghai-Hong Kong Stock Connect

(4) Hon CHUNG Kwok-pan (Oral reply)

The Shanghai-Hong Kong Stock Connect (“S-HK SC”), implemented since the 17th of last month, has widened the investment channels between Shanghai and Hong Kong. The Government envisages that driven by S-HK SC, the capital markets of the two places will gradually move towards integration, enabling the finance industry of Hong Kong to expand and enhancing Hong Kong’s competitiveness, thereby transforming Hong Kong into a premier gateway for international capital to make investments on the Mainland. Investors may directly invest, through the S-HK SC platform, in specified types of stocks listed in Shanghai and Hong Kong. Besides, the abolition of the daily exchange limit of Renminbi imposed on Hong Kong people also facilitates financial transactions. Nonetheless, since the launch of S-HK SC, utilization of the investment quotas is well below market expectations, and S-HK SC has failed to boost the prices of Hong Kong stocks substantially, with investors giving lukewarm response to southbound investments on Hong Kong stocks under the Southbound Trading Link in particular. In this connection, will the Government inform this Council:

- (1) as some members of the securities industry have pointed out that utilization of the quotas in the Southbound Trading Link has lagged far behind that in the Northbound Trading Link in the first week since the launch of S-HK SC because major mainland institutional investors including public funds and insurance companies, etc. are still waiting for the publication of relevant investment guidelines by regulatory organizations, whether the authorities have examined why such investors are not yet ready given that S-HK SC was in the pipeline for a long time; whether the authorities have, in collaboration with the relevant mainland authorities, formulated any mechanism to jointly review the specific impacts of S-HK SC on the securities markets in the two places;
- (2) whether the authorities have assessed if S-HK SC will lead to the situation of “southern capital being channelled to the north”, which means that a large amount of money originally invested in Hong Kong stocks is transferred to invest in Shanghai stocks; if they have assessed, of the outcome; whether the authorities will introduce more policies to attract capital inflow to invest in Hong Kong stocks, such as further cooperation with the relevant mainland departments to enable more mainland institutional investors to get familiar with the securities market in Hong Kong, as well as encourage and facilitate these investors to invest in Hong Kong stocks; and
- (3) as there are differences in the law and regulations governing the securities markets in Shanghai and Hong Kong, whether the authorities will provide assistance to Hong Kong investors who have encountered legal problems or disputes when making investments in mainland stocks; if they will, from which government department(s) the investors may seek assistance; how the authorities will tackle the issues concerned so as

to protect small investors and further enhance the connectivity between the securities markets in Shanghai and Hong Kong; of the measures to be put in place in future to help investors in the two places to understand the respective law and regulations governing the securities markets in the two places?

Hong Kong section of the Guangzhou-Shenzhen-Hong Kong  
Express Rail Link under construction

(6) Hon Ronny TONG (Oral Reply)

In as early as 2009 when the Finance Committee of this Council vetted and approved the funding proposal for the project to construct the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (“XRL”), I pointed out that it would be difficult to implement the arrangements of co-location of boundary control facilities proposed by the authorities for XRL because under the Basic Law, mainland law enforcement agencies were not allowed to perform law enforcement work such as immigration control within the territory of the Hong Kong Special Administrative Region (“SAR”). The relevant articles of the Basic Law include Article 18 which stipulates that national laws to be applied in SAR shall be listed in Annex III and only laws outside the limits of the autonomy of SAR may be listed in Annex III; and Article 22, which provides that all offices set up in SAR by departments of the Central Government, etc. and the personnel of these offices shall abide by the laws of SAR. On the other hand, while the Government said in May this year that there would be delay and cost overruns in the XRL Project, the overseas experts commissioned by the MTR Corporation Limited (“MTRCL”) have pointed out recently that there are two-thirds probability of having further cost overruns and one-third probability of having further delay in the commissioning date. As the cost effectiveness of XRL will be affected by the implementation of the co-location arrangements or otherwise as well as by delay and cost overruns in the XRL Project, will the Government inform this Council:

- (1) of the concrete means to solve the legal problem pertaining to the implementation of the co-location arrangements in SAR; the current progress of such work and when the problem is expected to be solved; whether it has assessed, in the event that the co-location arrangements cannot be implemented upon the commissioning of XRL, if the speed of XRL trains will be reduced or even reduced to a level comparable to that of the through trains, thus rendering XRL being unable to achieve the anticipated cost effectiveness because of the need for XRL train passengers to alight at the border for immigration clearance and then re-board the train; if the assessment outcome is in the negative, of the justifications for that;
- (2) given that the co-location arrangements may not be implemented upon the commissioning of XRL, resulting in XRL trains having to operate at a normal speed within the SAR territory, whether the Government has plans in place to implement options that can reduce the construction cost of XRL should such a situation occur; if it does, of the options; if not, the reasons for that; and
- (3) given that the aforesaid experts have recommended that MTRCL should re-evaluate the cost once every six months as well as set a probability

based key performance indicator, and that MTRCL should be required to report to the Capital Works Committee immediately if the probability of the Project achieving the timely completion and projected cost has decreased by 5% or more, whether the authorities will require MTRCL to implement such recommendations; if they will not, of the reasons for that; which party will bear further cost overruns of XRL; if MTRCL will, how the authorities ensure that MTRCL will not pass the cost onto the public by increasing its fares or through other means?

## Cost overruns and delay of major infrastructure projects

(17) Dr Hon LAM Tai-fai (Written Reply)

It has been reported that in recent months, several major infrastructure projects have experienced significant cost overruns and delay one after another. These projects include the Hong Kong-Zhuhai-Macao Bridge Hong Kong Related Projects, Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link, Shatin to Central Link and South Island Line of MTR, Liantang/Heung Yuen Wai Boundary Control Point related works, West Kowloon Cultural District, etc. The amounts of such cost overruns range from a few billions to over 10 billion dollars. Some members of the public query the authorities' ability to control the expenditures and the progress of public works projects. They also worry that the public works projects under planning, including the Multi-purpose Sports Complex ("MPSC") at Kai Tak and the Three-Runway System Project at the Hong Kong International Airport ("TRS Project"), may also experience cost overruns and delay. In this connection, will the Government inform this Council:

- (1) of the following information in respect of each of the aforesaid works projects: (i) the latest cost estimates, (ii) the latest projected completion date, (iii) the projected amount of cost overrun, (iv) the projected amount of supplementary provisions to be sought from the Legislative Council ("LegCo"), and (v) the date for submission of application for supplementary provisions to the Finance Committee of this Council (set out in table form);
- (2) whether it has assessed the reasons for the cost overruns and delay of the aforesaid works projects, as well as whether blunders on the part of government officials in respect of personnel, finance, administration and policy-making are involved; if so, which government officials should be held responsible, and whether the officials concerned will be required to take the blame for the cost overruns and delay of these projects and resign; if such officials will not be required to do so, of the reasons for that;
- (3) whether it has reviewed the existing mechanisms for estimating project expenditures, and for monitoring and controlling the expenditures and progress of works projects, so as to minimize cost overruns and delay; if it has reviewed, of the details; if not, the reasons for that;
- (4) whether it has, in view of the cost overruns in the aforesaid projects, stepped up the risk management of works projects and introduced a pain share/gain share mechanism; if it has, of the details; if not, the reasons for that;
- (5) whether it has assessed the impacts of the delay of the aforesaid works projects on Hong Kong's economy and people's livelihood, the exchanges and co-operation between Hong Kong and the Mainland, the international image of Hong Kong, public confidence in the

Government's governance, as well as LegCo's confidence in the Government's control of public works expenditures; if it has assessed, of the outcome; if not, the reasons for that;

- (6) as some of the aforesaid works projects are cross-border facilities, whether it knows the economic loss to the Mainland and the impacts on mainland people's livelihood brought by the delay of such projects; whether it has assessed if such delay will affect the Central Government's confidence in the ability and the governance of the Government of the Hong Kong Special Administrative Region; if it has assessed, of the outcome; if not, the reasons for that;
- (7) whether it has explored methods to enable the aforesaid works projects to catch up with the progress; if it has, of the details of such methods and the additional expenditures involved; if not, the reasons for that;
- (8) apart from the aforesaid works projects, of the public works projects cost overruns or delay of which have been confirmed, and the relevant details (including the latest cost estimates, amounts of cost overruns and details of such delay, etc.);
- (9) of the latest cost estimates and projected completion date of MPSC currently under planning; whether it has reviewed the planning of the project and taken measures, so as to ensure that neither cost overrun nor delay will occur; if it has reviewed and taken measures, of the details; if not, the reasons for that;
- (10) of the latest cost estimates and projected completion date of the TRS Project; what feasible measures are in place to ensure that neither cost overrun nor delay will occur; whether it will draw up financial contingency plans for implementation when there is cost overrun so that the works can be completed without the need to seek the approval of the Finance Committee of this Council for supplementary provisions;
- (11) of the specific measures that it will take to prevent the public works projects under planning from experiencing cost overruns and delay;
- (12) whether it has assessed if the manpower supply of various trades of the construction industry in the coming five years can meet the manpower demand of the public works projects under planning; if it has assessed, of the details; if not, the reasons for that; and
- (13) whether it will review the policy on importation of construction workers afresh, so as to import sufficient construction workers to meet the manpower demand of major infrastructure projects and to reduce construction costs; if it will, of the details; if not, the reasons for that?