

For information

Finance Committee

Asian Infrastructure Investment Bank

This paper provides supplementary information in the light of the second letter sent by the Hon Chu Hoi-dick (**Annex**) on 27 April 2017 regarding the funding approval vide FCR(2017-18)2 for subscription of the capital of the Asian Infrastructure Investment Bank (AIIB).

(A) Risk and rate of return

2. The AIIB commenced operation in 2016. It has not yet announced the financial results of its first year's operation.

3. According to Article 18 of the Articles of Agreement (AoA) of the AIIB, its Board of Governors shall determine at least annually what part of the net income of the Bank shall be allocated, after making provision for reserves, to retained earnings or other purposes and what part, if any, shall be distributed to the members. The distribution shall be made in proportion to the number of shares held by each member. As the AIIB has only started investment recently and infrastructure has a long implementation and payback period, its operation is not expected to generate sizable profits in the near term. The AIIB's management has also indicated that to fulfil the AIIB's missions, the profits generated should be reinvested in other infrastructure projects. Therefore, the direct return to our equity capital, if any, is expected to be limited¹.

(B) Award of contracts to Hong Kong companies

4. The AIIB's contracts are awarded through an open process. Given the standard of Hong Kong's professionals, they are well positioned to compete for those contracts. Indeed, many Hong Kong companies have taken part in overseas infrastructure projects.

5. The Government does not have any data on contracts awarded to Hong Kong companies as these projects were not undertaken directly by the

¹ For reference, as it has been Asian Development Bank (ADB)'s decision so far to retain its income to fund its operations in providing assistance to developing members, Hong Kong has not received any dividend from its shareholdings in the ADB.

AIIB but implementation agencies of partner organisations. After we have become a member, we may request the AIIB to collate the relevant data.

6. In the case of the ADB, the total value of our paid-in capital amounted to around US\$40 million as at end-2015. Over the years, Hong Kong has also contributed around US\$115 million to ADB's Asian Development Fund for supporting poverty reduction in the region. As at end-2015, Hong Kong firms have been awarded ADB-financed projects such as procurement contracts and consultancy services worth US\$961.97 million in total.

(C) Benefits of joining the AIIB

7. The benefits of joining the AIIB do not derive from winning project-related contracts only. Given the depth and breadth of Hong Kong's financial markets and availability of financial sector professionals, the professional services and financial services sectors of Hong Kong (e.g. project financing, bond issuance, investment management, financial management and foreign exchange management) will stand to benefit from the AIIB's operations. As we have experts in project negotiation, preparation of works and management contracts and international law as well as professional arbitration services, Hong Kong can also take part in the planning, implementation and operation of infrastructure projects.

(D) Consultation

8. We followed past practice and consulted the Legislative Council Panel on Financial Affairs on 16 March 2017. Members were supportive of the proposal of joining the AIIB as a new member, and our subscription of AIIB's shares.

Financial Services and the Treasury Bureau
28 April 2017

敬啟者

進一步查詢有關認繳亞洲基礎設施投資銀行的股本的財委會項目

政府要求本委員會批出 60 億的承擔額以成為亞投行成員，當中 12 億為實繳股本，48 億為待繳股本。由於此項目是財政司司長打算得到財委會批准，動用資本投資基金進行投資，本人希望政府當局能進一步解答本人的查詢：

A. 進一步查詢有關風險及回報率的問題

(i) 請政府告知本委員會，亞投行自成立至今是否有就其整體投資回報率進行分析及評估？請政府向本委員會披露有關資料和文件。

(ii) 請政府告知本委員會，香港政府有否就香港正式認購亞投行股本後每年可獲取的利潤、投資回報率和整體風險進行研究、分析或評估？

若有，請政府向本委員會披露有關研究、分析或評估結果和有關文件。

若否，請政府向本委員會解釋為何在動用資本投資基本進行投資時，竟沒有就有關問題進行研究、分析或評估？這種苟且的態度是否就是政府在運用公帑時的理財哲學？

B. 加入亞投行與本地經濟發展的關係

(i) 請政府詳細向本委員會解釋，香港加入亞投行的實質好處和利益；

(ii) 若政府不能向本委員會提供加入亞投行後香港政府每年實質能獲取的利潤，那麼加入亞投行的直接得益者將會是本地極少部分的工商和法律界。

亞投行的貸款項目均是公開招標。若非亞投行成員都能參與投標，請政府向本委員會解釋，加入亞投行與否的實質分別。

(iii) 請政府告知本委員會，政府有否就加入亞投行一事諮詢上述或其他相關界別？若有，請政府詳細告知本委員會，相關過程、細節、結論和相關文件。

若否，請政府詳細告知本委員會當中原因和解釋。

(iv) 由於亞投行的貸款項目多集中在高風險的投資地區，包括是政制和地緣政治極不穩定、貪腐情況十分嚴重的地區和國家，本人對是否有本地相關界別、公司或企業會對亞投行的貸款項目有興趣及願意冒高風險進行投標，抱有極大疑問。

請政府告知本委員會，自亞投行成立至今，有否本地公司或企業成有意投資或成功投得亞投行項目？

若有，請政府向本委員會披露有關資料。

關於亞投行審批中的項目，又是否有地公司或企業成有意進行投資？

若有，請政府向本委員會披露有關資料。

(v)若香港政府在動用資本投資基金進行投資時不能令香港政府在有關投資項目獲得實質回報，反之僅能間接地令本地企業或公司在投標時獲得所謂優勢，請問政府這樣去運用公帑，是否符合香港政府運用公帑的原則？

此致

立法會財務委員會主席陳健波議員

財經事務及庫務局局長陳家強教授

立法會議員朱凱迪謹啟

2017 年 4 月 27 日