

**LEGISLATIVE COUNCIL BILLS COMMITTEE
ON TUNG CHUNG CABLE CAR BILL**

Information for the Bills Committee

INTRODUCTION

This paper addresses request raised by Members of the Legislative Council Bills Committee on the Tung Chung Cable Car Bill (the Bills Committee) at its meeting held on 31 March 2003.

BACKGROUND

2. At the second meeting of the Bills Committee held on 31 March 2003, Members requested the MTR Corporation Limited (MTRCL) to provide financial information on the Tung Chung Cable Car Project.

3. MTRCL agreed to provide relevant financial information to the Bills Committee. A copy of the letter from MTRCL in response to the request is attached at Annex.

CONCLUSION

4. Members are invited to note the information provided by MTRCL.

**Tourism Commission
Economic Development and Labour Bureau
6 May 2003**

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April 11, 2003

Commissioner for Tourism
Tourism Commission
Room 258, 2/F, East Wing
Central Government Offices
Lower Albert Road
Hong Kong

Attention : Mrs. Erika Hui

Dear Erika

Re : 2nd Meeting of the Bills Committee - Financial Documents

Further to our telephone conversation, I hereby confirm that the financial information on the Cable Car project which MTRC are prepared to release to LegCo is as follows:

- a) Initial project cost: HK\$750 million.
- b) Ridership: 1.25 million in 2006 rising to 1.65 million in 2016.
- c) Assumed \$66 for a round trip fare and \$50 for a single trip at opening based on 2000 prices. The actual fare will be determined nearer the time.
- d) Royalty of \$1 per fare paying passenger.
- e) The Project is a self-financing project with a satisfactory rate of return which will not require any cross subsidy from the railway operations.

This is a small project when comparing its project cost and estimated revenues to MTRC's total assets of \$101 billion and total revenues of \$7.7 billion in 2002.

Please also note that as a listed company we have difficulty to provide financial forecast or non-public information for LegCo.

Regards

Original signed by M J Dunn
Martin J. Dunn
Procurement & Contracts Manager (Operations)

c.c. R. Bayliss - PM(HQ)
L Chung - M(CC)