

財經事務及庫務局  
(庫務科)

香港下亞厘畢道  
中區政府合署

FINANCIAL SERVICES AND THE  
TREASURY BUREAU  
(The Treasury Branch)

Central Government Offices,  
Lower Albert Road,  
Hong Kong

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本函檔號 Our Ref. : FIN CR 1/2241/03  
來函檔號 Your Ref. :

BY FAX

26 April 2004

Mr Stephen Lam  
Assistant Legal Adviser  
Legislative Council Secretariat  
(Fax No.2877 5029)

Dear Mr Lam,

**Proposed Resolution under  
Section 3(1) the Loans Ordinance (Cap.61)**

Thank you for your letter of 23 April 2004.

**Means of raising the loan**

2. Section 3(1) of the Loans Ordinance (Cap. 61) requires the sum and the purposes of the loan to be approved by resolution of the Legislative Council while the manner and terms and conditions of borrowing are to be agreed between the Government and the lender. The resolution relating to the recent offering of “Five Tunnels and One Bridge” specified the manner in which that borrowing is to be repaid (future revenue from concerned facilities) in order to send a clear signal to investors and other parties involved that the General Revenue is not involved. There is no need to send such or similar signal in the present case as the issuance of plain/vanilla government bonds is proposed and repayment will be made through future appropriations out of General Revenue. We understand that this is consistent with the arrangement adopted in similar resolution passed by the Legislative Council back in 1991 and 1975.

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ES' discretion under Section 3(4)

3. As regards your second query, I confirm that our intention is to recommend the Financial Secretary to exercise in due course his discretion under Section 3(4) to exclude the loan agreement(s) from the application of Section 3(3). The main reason for this is while most of the information contained in the loan agreement(s) will have been included in the concerned prospectus/offering circular for public disclosure purposes, information relating to the identity of the investors and the amount of their subscription should be kept confidential for commercial reasons. You may wish to note that a similar situation will arise in the Five Tunnels and One Bridge" offering and we did explain the above matter to LegCo Members involved in examining the concerned resolution back in January this year.

Yours sincerely,

(Tommy Yuen)  
for Secretary for Financial Services  
and the Treasury

c.c. DoJ (Attn: Ms. Phyllis Ko) 2523 5104

Internal  
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