

Possible Financing Options

In addition to financing by CWRP, one or more of the following means can be considered:

Means		Possible Applicability	Precedents	Pros / Cons
1	Bond Issuance	Construction works	Green Bond Programme and Hong Kong International Airport Three- Runway System	<p>Reduce Government spending at construction stage and promote the development of Hong Kong's bond market</p> <p>Involve interest expenses</p>
2	Public-Private Participation: Build-Operate-Transfer Model	Major Road	Cross Harbour Tunnel, Eastern Harbour Crossing, Tate's Cairn Tunnel, Western Harbour Crossing and Tai Lam Tunnel	<p>Reduce Government spending at construction stage, and provide incentive for private sector to complete the road works as early as possible by granting right for private sector to receive toll fee in specified operation period</p> <p>Affect Government's control over the toll fee level during the operation stage</p>

Means		Possible Applicability	Precedents	Pros / Cons
3	Public-Private Participation: Railway-plus-Property Model	Railway	Tseung Kwan O Line LOHAS Park Extension, South Island Line, Kwun Tong Line Extension, etc.	Reduce Government spending in construction stage by granting property development rights while allowing better connectivity between railway stations and residential developments Need to provide property development rights of a certain area of land to bridge the funding gap for the development of large-scale railway projects
4	Public-Private Participation: Reclamation and Infrastructure Works	Reclamation, site formation and infrastructure works	Reclaimed land of about 59 ha at Sha Tin City One and its surrounding area	Reduce Government spending in construction stage, and offer incentive for private sector to complete the concerned works as early as possible Need to provide property development rights of a certain area of land to the private sector, and the scale of the works will be limited by the financial capacity of the private sector

The financing options are a preliminary proposal and further assessment on their actual scale of adoption and combination shall be conducted. Besides, we welcome views for other financing options.