

LCQ14: Promoting development of low-altitude economy

Following is a question by the Hon Elizabeth Quat and a written reply by the Secretary for Transport and Logistics, Ms Mable Chan, in the Legislative Council today (December 18):

Question:

The Working Group on Developing Low-altitude Economy led by the Deputy Financial Secretary convened the first meeting earlier on to discuss the overall strategies and work plan for developing the low-altitude economy (LAE), and announced that Regulatory Sandbox pilot projects (pilot projects) would be taken forward progressively starting from early next year. In this connection, will the Government inform this Council:

(1) whether the Government will make reference to the practice of Guangdong Province and study the proactive formulation of a demand list of application scenarios for LAE in Hong Kong in respect of Regulatory Sandbox, so as to showcase the opportunities for collaboration between the Government and enterprises in the application scenarios for various areas of demand, such as low-altitude infrastructure, industry operations as well as production and manufacturing, thereby facilitating the precise supply-demand matchup in the industry chain and promoting the realisation and application as well as generational upgrading of cutting-edge technologies and innovative products;

(2) as there are views pointing out that applicants for pilot projects have to bear the costs involved in preparing the applications and conducting trials on their own at the current stage and this may deter the participation of small and medium enterprises, whether the Government will study setting aside funding to offer project-based subsidies to such applicants, thereby promoting the trial run of LAE locally;

(3) as it has been reported that while LAE comprises a complete industry chain and there is demand for insurance under each of the components, LAE insurance is still at the stage of research in Hong Kong, of the Government's plans to encourage insurance companies to develop insurance products targeting areas of commercial application for LAE (such as freight logistics, passenger transportation and urban management, etc.);

(4) whether the Government will study the use the Geographic Information System complemented with three-dimensional geospatial data to establish a flight path planning information platform similar to "One Map" on the Mainland, and further, with the support of real-time meteorological data and based on the demand for take-off and landing points as well as major flight paths, design a "highway" for low-altitude airspace; and

(5) as it is learnt that many government departments in Shunde District of

Foshan City have already applied a shared drone inspection system to collect data required by various departments supplemented by artificial intelligence (AI) models to effectively identify various urban management problems (including unauthorised building works and fly-tipping of refuse, etc.), thereby enhancing the efficiency of urban management, whether the Government will, by drawing reference from the relevant experience, study making use of low-altitude technology coupled with AI technologies to further enhance the efficiency of urban management and governance efficacy?

Reply:

President,

â€‹The Working Group on Developing Low-altitude Economy (the Working Group) led by the Deputy Financial Secretary convened its first meeting on November 12 this year. Apart from discussing the overall strategy and work plan for the development of low-altitude economy (LAE), the Working Group also formulated the details of the Regulatory Sandbox (Sandbox) pilot projects. The Government will implement the Sandbox pilot projects progressively starting from early next year to foster innovation and facilitate the testing of potential application scenarios of low-altitude flying activities.

In consultation with the Development Bureau, the Environment and Ecology Bureau, the Financial Services and the Treasury Bureau, the Innovation, Technology and Industry Bureau, the Civil Aviation Department (CAD), the Environmental Protection Department and the Hong Kong Observatory (HKO), the reply to Hon Elizabeth Quat's question is as follows:

(1) and (2) The Government will carry out the Sandbox pilot projects by batches and the first batch of the pilot projects is now open for application. The pilot projects will be conducted under different scenarios to test various technical and ancillary facilities requirements, including the technical specifications of different types of unmanned aircraft, mobile radio communications networks, signal reception of global navigation satellite system, and requirements of the low-altitude surveillance system. We hope that the locations and routes of the trials can cover areas with different terrains, topography and development densities in Hong Kong, as well as different application scenarios. The objective is to progressively expand and enrich the scope of low-altitude flying applications.

The Sandbox pilot projects will provide a controlled and conducive environment to simulate diversified scenarios, multiple air routes and overarching low-altitude airspace management, allowing industry stakeholders to explore different application scenarios for LAE, while gathering data and experience at the same time to assist in the Government's informed decision making for the formulation of appropriate infrastructure, related supporting facilities as well as standard rules and practices for the long term development of low-altitude flying activities.

To leverage on the expertise of the industry, the Government has

appointed the Hong Kong Productivity Council as technical partner, and the Hong Kong Science and Technology Parks Corporation and the Hong Kong Cyberport Management Company Limited as venue partners to facilitate the implementation of the pilot projects, while fostering the development of LAE industrial chain at the same time. The Government will also continue to closely monitor and make reference to the application areas for LAE in Mainland cities, and make corresponding deployments in Hong Kong in accordance with local circumstances.

Regarding the Government's funding support to the pilot projects, the Government has all along been supporting research and development (R&D) in different technology areas through different funding schemes. For example, the Innovation and Technology Fund (ITF) has been supporting local universities, R&D centres and enterprises to conduct R&D in electronics, data transfer and processing, which are related to LAE, through its funding schemes. To promote the development of the innovation and technology industry, the Government encourages enterprises (including those involved in industries related to LAE) to set up R&D centres and new smart production lines in Hong Kong, including enabling production activities by capitalising on resources of Hong Kong's existing manufacturing industry, to promote the development of the real economy.

(3) The existing Small Unmanned Aircraft (SUA) Order (Cap. 448G) adopts a risk-based approach in regulating SUA operations. SUA operations of different risks, irrespective of their intended use, are subject to corresponding regulatory requirements based on the weight of the SUA and the level of risks involved in its operations, including insurance requirements.

On the premise of safeguarding aviation and public safety, and having balanced the readiness of the market, the mandatory insurance requirements are implemented in a phased approach. The first phase, which has been implemented with immediate effect from the commencement of the SUA Order since June 2022, is mandatory insurance for advanced operations requiring Category B operations to take out insurance to cover liability for bodily injury and/or death of a third party, with a minimum sum insured of \$10 million. The second phase will be mandatory insurance for Category A2 operations, with a minimum sum insured of \$5 million against third party bodily injury and/or death. This requirement will come into operation on a later date to be specified by the Director-General of Civil Aviation by notice published in the Gazette. At present, there are insurance products available in the market that comply with the existing regulatory regime under the SUA Order. The CAD has also been maintaining close communication with the insurance industry to keep abreast of the latest market situation.

To tie in with the development of LAE, the Government has started to review the existing civil aviation legislation and regulatory regime (including the insurance requirements for the operation of different types of unmanned aircraft) and will carry out the legislative amendment work in phases. Under the first phase, the existing SUA Order will be amended to cover unmanned aircraft weighing more than 25kg but not exceeding 150kg. These unmanned aircraft will be subject to specified requirements, including

insurance requirements.

Depending on the progress of the pilot projects under various application scenarios for LAE, the risk data collected and the relevant legislative requirements in the future, the Government will continue to maintain close communication with the insurance industry and facilitate the industry in the cultivation and launch of corresponding insurance products for the development of LAE.

(4) and (5) The Government attaches great importance to the safe and efficient development of LAE and understands the importance of the Geographic Information System (GIS) and three-dimensional (3D) geospatial data in the planning of air route networks in low-altitude airspace. The Government will make reference to the experience of the Mainland and other regions and embark on technical studies and planning for low-altitude infrastructure, including take-off/landing sites, communication networks, air route networks, low-altitude surveillance and management systems. The studies will also include the feasibility of using GIS technology and 3D geospatial data, as well as the integration of real-time meteorological information. In particular, the HKO is considering how to integrate real-time meteorological data to meet the specific needs of LAE for meteorological information, in particular at the low-altitude take-off/landing points as well as along the major air corridors. Concurrently, the HKO will collaborate with relevant government departments and industries to explore the utilisation of new technologies, including new observation systems, to provide meteorological support for the management and information platforms of the low-altitude airspace.

Furthermore, the Common Spatial Data Infrastructure managed by the Spatial Data Office (SDO) under Development Bureau has collected more than 900 spatial datasets from over 60 departments and organisations. Such information covers areas including maps, roads, traffic condition, land use, buildings, engineering and weather. The TLB, the CAD and the SDO are in discussion to explore using spatial data to help draw up the flight paths of low-altitude aircraft, among other things.

The Government's target is to formulate a multi-layered development framework which can accommodate Advanced Air Mobility of different classifications and operating parameters, satisfy the needs of major applications such as logistics, community delivery, urban management and public services, and address the local circumstances in Hong Kong. Under the framework of the existing SUA Order, various government departments make use of SUA to enhance the efficiency of urban management and public services, such as building surveying work, land surveying and management work, detection of land irregularities, monitoring of illegal pollution and marine dumping activities, operations of large-scale polluting plants, progress of development works, assisting in evidence collection for prosecution actions, integrating artificial intelligence (AI) technology for investigation and maintenance of sewage facilities. Various government departments will actively explore ways to integrate unmanned aircraft applications with AI technologies to further enhance the efficiency of urban management and public services.

At the same time, the Working Group also encourages various government bureaux and departments to actively participate in the Sandbox pilot projects to broaden the scope of unmanned aircraft applications in enhancing urban management and public services. We believe that the wider use of unmanned aircraft by the Government can spearhead industry efforts to expand application scenarios for low-altitude flying activities.

LCQ22: Initiatives to encourage childbearing

Following is a question by Professor the Hon Chow Man-kong and a written reply by the Deputy Chief Secretary for Administration, Mr Cheuk Wing-hing, in the Legislative Council today (December 18):

Question:

Since last year, the Government has been encouraging childbearing through the introduction of policies and initiatives such as the "Newborn Baby Bonus" ("the Bonus"), priority arrangements for subsidised sale flats and public rental housing, as well as supporting assisted reproductive services. There are views that the Government still needs to strengthen the relevant policy directions in order to reverse the persistently low fertility rate in Hong Kong. In this connection, will the Government inform this Council:

(1) of the number and percentage of applications submitted under the "Families with Newborns Flat Selection Priority Scheme" in the "Sale of Home Ownership Scheme Flats 2024";

(2) whether it will further introduce a combination of financial measures to encourage childbearing, i.e. apart from the Bonus, consider extending the arrangement for additional child allowance to the first three years of assessment following the birth of each child, introducing tax deduction on expenses for employing foreign domestic helpers, as well as subsidising the expenses for antenatal check-ups incurred by couples, so as to respond to the actual needs of different sectors of society (especially the middle class); if so, of the details; if not, the reasons for that; and

(3) given that in October this year, the General Office of the State Council issued a circular entitled "Several Measures for Accelerating Improvement of Reproduction Policy Support Systems and Promoting the Establishment of a Reproduction-friendly Society", and the relevant specific measures include (i) setting up a childbearing subsidy, implementing care services for infants and children under the age of three, implementing a special policy on additional deduction of individual income tax on children's education, and

enhancing support for families with many children to purchase homes, (ii) providing welfare-based child care services, and organising and carrying out child care activities during the summer and winter holidays as well as after-school hours to proactively assist workers in shouldering the pressure of child-rearing, and (iii) creating a batch of high-quality movies and TV dramas, stage dramas as well as web-based cultural and art works, increasing the production of, among others, thematic programmes and public service advertisements, and encouraging and guiding the participation of communities, units and individuals to jointly create a reproduction-friendly social environment, whether the authorities will consider implementing the aforesaid measures and encourage private organisations to follow the relevant arrangements, so as to create a more favourable environment for child-rearing; if so, of the details; if not, the reasons for that?

Reply:

President,

Hong Kong and many countries or places worldwide are facing a decline in fertility rate. In the face of this challenge, the Government must formulate measures to raise fertility rate. As such, the Chief Executive announced in his 2023 Policy Address a host of measures to promote fertility and create a conducive environment for childbearing through a " combination punches " approach. These measures include providing Newborn Baby Bonus, giving families with newborns priority on flat selection and allocation, enhancing child care support and increasing tax concessions. The implementation of the Newborn Baby Bonus is administrated by the Deputy Chief Secretary for Administration 's Office, while Bureaux involved in the implementation of other measures include the Housing Bureau, the Labour and Welfare Bureau, the Health Bureau, the Education Bureau, the Home and Youth Affairs Bureau and the Financial Services and the Treasury Bureau.

In consultation with the relevant Bureaux, the consolidated reply to the questions raised by Professor the Hon Chow Man-kong is as follows:

(1) The Hong Kong Housing Authority (HA) has implemented the Families with Newborns Flat Selection Priority Scheme (Priority Newborns Scheme) as scheduled, starting from 2024 under the Home Ownership Scheme (HOS) sale exercise as announced in the 2023 Policy Address. A quota of about 40 per cent of the new flats (i.e. 2 900 flats) under the Sale of HOS flats 2024 (HOS 2024) has been set aside for eligible applicants under the Priority Newborns Scheme and the Priority Scheme for Families with Elderly Members for balloting and priority flat selection. Family applicants of HOS with babies born on or after October 25, 2023 will be eligible if their children are aged three or below on the closing day of the application of HOS.

During the application period of HOS 2024, the HA received a total of around 106 000 applications, 50 000 of which were family applicants. Among these applications, around 16 000 and 3 000 applications came under the Priority Scheme for Families with Elderly Members and the Priority Newborns Scheme respectively, corresponding to about 30 per cent and 10 per cent of the total number of family applicants respectively.

In addition, regarding the allocation of public rental housing (PRH) flats, the HA has implemented the Families with Newborns Allocation Priority Scheme since April 1, 2024. PRH family applications with babies born on or after October 25, 2023 and aged one or below will have their waiting time deducted by one year. As at end-November 2024, about 3 000 eligible PRH family applications under the scheme have their waiting time reduced by one year, of which 170 families have already been successfully housed to PRH.

(2) The Government announced in the 2023 Policy Address that a cash reward of \$20,000 will be provided to eligible parents for each baby born from October 25, 2023, for a period of three years. Starting from October 25, 2023, parents can submit an application for the bonus at the same time when registering the birth of their baby and applying for a birth certificate. As of end-November 2024, a total of 32 811 qualified applications have been received, and the bonus has been distributed to 32 107 applicants, at a total amount of approximately \$640 million. We plan to conduct a review two years after the bonus is launched.

As regards tax concessions, starting from the year of assessment (YA) 2023/24, the basic child allowance and the additional child allowance for each child born during the year of assessment have been raised from \$120,000 to \$130,000. In addition, starting from YA 2024/25, for taxpayers who live with their children born on or after October 25, 2023 and meet the prescribed conditions, the deduction ceiling for home loan interest or domestic rents will be raised from \$100,000 to \$120,000 for a maximum of 19 YAs. These measures can encourage childbearing by helping to alleviate the financial burden of taxpayers from raising children.

In respect of the proposals to extend the claim period of additional child allowance and to introduce tax deduction for expenditure on hiring foreign domestic helpers, the Government must ensure that a balance is struck between promoting relevant policy objectives and exercising fiscal prudence, especially at a time when the Government's fiscal deficit is high. For the latter, the Government must also examine whether the proposal should apply to similar services (including the hire of local domestic helpers) and the possible implications. The Government has no plan to adopt the said proposals at this stage.

As regards the proposal of subsidising the expenses for antenatal check-ups incurred by couples, currently the Obstetrics and Gynaecology Departments of the Hospital Authority and the Maternal and Child Health Centres (MCHCs) of the Department of Health (DH) provide free antenatal services for all local pregnant women who are eligible persons (who generally refer to holders of Hong Kong Identity Cards or such other persons as may be approved by the Chief Executive of the Hospital Authority/ Director of Health) to ensure the health of the pregnant women and their fetuses. The scope of services includes the first antenatal check-up, personal and family medical history, as well as various investigations and vaccinations conducted by doctors according to the clinical needs of individual pregnant women. Generally speaking, pregnant women receive check-ups every four to six weeks before the 28th week of pregnancy, every two to four weeks between the 28th and 36th weeks of pregnancy, and every one to two weeks after the 36th week. The

Obstetrics and Gynaecology departments of public hospitals will make appropriate arrangements according to the circumstances of individual pregnant women.

Besides, as announced in the 2024 Policy Address, the DH will revamp maternal and child health and family planning services to strengthen pre-pregnancy counselling and parental education and promote healthy fertility. The DH will provide the new pre-pregnancy health services to reproductive age group women at the MCHCs in phases, support women in preparing for pregnancy through health consultation and counselling, health assessments, arrangement of blood tests and other investigations, and provide nutritional dietary and lifestyle advice, to align with the Government's policy of encouraging and promoting healthy fertility as well as protecting and advancing maternal and child health. In addition, the DH will review and adjust the scope of the subsidised family planning service currently provided by non-government organisations (NGOs), so as to dovetail with the Government's policy of encouraging and promoting healthy fertility. Details on the above initiatives will be announced at an appropriate juncture.

(3) The Hong Kong SAR Government (HKSARG) is implementing different family-friendly measures, which are in the same direction as the "Several Measures for Accelerating Improvement of Reproduction Policy Support Systems and Promoting the Establishment of a Reproduction-friendly Society" issued by the General Office of the State Council. Specific measures implemented by the HKSARG include:

(i) Strengthen the construction of childcare service system: the Government has been supporting parents who cannot take care of their young children temporarily through subsidising NGOs to provide a variety of day child care services, including Child Care Centre (CCC) services for children aged from birth to under 3, an After School Care Programme and a Neighbourhood Support Child Care Project (NSCCP). To strengthen support for working families in childbearing, the Government has announced the setting up of an addition of 11 aided standalone CCCs in phases, doubling the total number of service places to reach around 2 000. The Government is extending the After School Care Programme for Pre-primary Children to cover all districts in phases, and increasing the number of service places under NSCCP to 2 500 with the estimated number of beneficiaries increasing to 25 000. The Government also launched the School-based After School Care Service Scheme to provide focused support for students in need (particularly those from single-parent families) to stay in school after school hours for care and learning support, thereby allowing their parents to take up jobs. Over 110 primary schools covering 18 districts across the territory participated in the scheme in the 2024/25 school year, providing about 6 000 places. Subject to the actual utilisation and outcome of the scheme, we plan to encourage more schools to participate in the scheme in the 2025/26 school year, without imposing any quota; and

(ii) Strengthen the support measures for education: with the Kindergarten Education Scheme implemented since the 2017/18 school year by the Education Bureau, about 90 per cent of half-day kindergartens are currently free of charge, while the school fees for whole-day kindergartens are maintained at a low level. Families with financial needs may apply for fee remission under

the Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS). Starting from the 2022/23 school year, the fee remission ceiling under the KCFRS has been raised from the 75th percentile in the past to the 100th percentile charged by respective half-day and whole-day kindergartens joining the Kindergarten Education Scheme. In other words, parents can receive full level of fee remission and need not pay any difference in school fees. Besides, the Education Bureau has regularised the provision of student grant starting from the 2020/21 school year. All students studying in secondary day-schools, primary schools and special schools as well as kindergartens will receive a student grant of \$2,500 every school year to alleviate parents' burden in education expenses; and

(iii) Create a fertility-friendly social atmosphere: the Home and Youth Affairs Bureau has been supporting the work of the Family Council in promoting a culture of loving families, as well as encouraging the wider adoption of more diversified and flexible family-friendly employment practices (FFEPs) in the community. These measures will also help promote a childbearing-friendly environment. Since 2023/24, the Family Council has been launching promotional videos entitled "Family-friendly Workplace" featuring various FFEPs adopted by local companies/ organisations with sharing by employers and employees. The FFEPs presented include breastfeeding-friendly arrangements, allowing employees to bring their children to work during summer vacation, work-from-home arrangement and flexible work hours. The Family Council has also collaborated with Radio Television Hong Kong to produce radio programmes to promulgate different FFEPs. The Family Council will continue the relevant promotion work.

The HKSARG will continue to keep in view the implementation of various measures to promote fertility and will conduct reviews at an appropriate time.

LCQ20: Retail infrastructure bonds

Following is a question by the Hon Paul Tse and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (December 18):

Question:

It has been reported that the Government launched a retail infrastructure bond earlier on with a target issuance size of \$20 billion, but the subscription response was more lukewarm than expected, eventually resulting in an undersubscription where the subscription amount was only \$17.85 billion and the number of subscribers was the smallest among all previous government bond issuances, which also marked the first time that a government bond had experienced sluggish sales. In this connection, will the

Government inform this Council:

(1) whether it has studied the reasons for the undersubscription of this bond issuance;

(2) whether it has assessed the impact of the aforesaid undersubscription of the first batch of retail infrastructure bond on the Government's proposed policy of issuing bonds on a continuous basis to alleviate the serious fiscal deficit that has occurred year after year and to meet future expenditure on large-scale infrastructure projects, and how the Government will respond to it;

(3) as the Financial Secretary pointed out earlier on that the retail infrastructure bond had been three to four times oversubscribed by institutional investors, whether Mandatory Provident Fund trustees were included; if so, of the following information about such trustees: the number and names of such trustees, and their subscribed and allotted amounts of the bond;

(4) as some economists have pointed out that in recent months, the interest rates of United States Treasury bonds have risen again (at variance with government officials' expectation of interest rate reductions), among which that of three-year Treasury bonds has exceeded 4 per cent, half a percentage point higher than the interest rate of the retail infrastructure bond, causing members of the public who have subscribed to the retail infrastructure bond to lose out immediately upon purchase, while some virtual life insurance companies in Hong Kong have even adjusted the rate of return for three-year Hong Kong dollar savings insurance upwards to 3.88 per cent per annum, which is higher than the interest rate for the retail infrastructure bond, whether the Government has reviewed its expectation of interest rate reductions in the United States, and whether it will issue bonds at higher interest rates and reduce the number of bond issuances and the fund to be raised in the future, so as to avoid the recurrence of undersubscription; and

(5) as there have been comments from the media pointing out that full or oversubscription of government bonds reflects public recognition of the Government's principles in managing public finances, while undersubscription triggers an alarm for the Government's fiscal discipline, whether the Government will learn a lesson from this to avoid persistently running a fiscal deficit to such an extent that causes members of the public to query its repayment ability or even dare not subscribe to the Government's new bonds issued in the future?

Reply:

President,

In consultation with the Hong Kong Monetary Authority (HKMA), the reply to the question raised by Hon Paul Tse is as follows:

(1), (2) and (5) The Government issues the Retail Infrastructure Bond to provide members of the public with a reliable investment option with steady returns, while enabling them to participate in infrastructure development. At the same time, members of the public would consider different investment options based on their own investment objectives.

The Retail Infrastructure Bond 2024 was issued on December 17, with an issuance size of around HK\$17.8 billion. On the subscription response to this tranche of the Retail Infrastructure Bond, since the current investment market is relatively active with ample investment options, the investment decisions of the members of the public could be affected.

In drawing up and implementing the Government's bond issuance plan, there is flexibility to adjust the issuance arrangements and final issuance size of each bond issuance based on various factors including market conditions. While the final issuance size of an individual bond issuance may differ from the target issuance size, this will not affect the implementation of the Government's bond issuance plan and overall fiscal planning.

Apart from retail bonds, the Government also issues institutional bonds under the Infrastructure Bond Programme. Take the institutional infrastructure bonds issued in early December this year via tendering as an example, the bid-to-cover ratio ranged from around 3 to 4.5, reflecting investors' affirmation of local infrastructure and bond market development, as well as their confidence in Hong Kong's long-term development.

In the 2024-25 Budget, the Government put forward a fiscal consolidation programme which seeks to tackle fiscal deficit by containing the growth of Government expenditure, increasing revenue and issuing government bonds. All proceeds raised from Retail Infrastructure Bond will be credited to the Government's Capital Works Reserve Fund (CWRF) for investment in infrastructure projects supported by the CWRF. No bond proceeds will be used for funding Government recurrent expenditure. The Government will uphold the principle of keeping the expenditure within the limits of revenues as enshrined under Article 107 of the Basic Law and strive to achieve fiscal balance, thereby ensuring the sustainability of public finances. In drawing up the Budget for the new financial year, the Government will review the scale and magnitude of the fiscal consolidation programme.

(3) and (4) The Government issued institutional infrastructure bonds in early December via tendering, with bid-to-cover ratio ranging from around 3 to 4.5. The bonds were issued to Primary Dealers and may be traded by Primary Dealers with investors in the secondary market. The Government as an issuer does not have further details (e.g. whether Mandatory Provident Fund trustees were among the buyers) on the distribution of bonds in the secondary market.

As mentioned above, the Government issues the Retail Infrastructure Bond to provide members of the public with an investment option with steady returns, while enabling the public to participate in infrastructure development. While there are different types of investment options in the market, their nature (including risk, return, tenor and currency, etc.) may

vary and may not be directly comparable.

We will keep the effectiveness of the scheme and future arrangements under review, taking account of investor response, market conditions and other relevant considerations.

Hong Kong Customs special operation combats sale of counterfeit goods (with photo)

Hong Kong Customs mounted a territory-wide special enforcement operation yesterday (December 17) to combat the sale of counterfeit goods and seized about 1,300 suspected counterfeit goods, with an estimated market value of about \$1.4 million. Four persons were arrested.

Customs earlier received information alleging that suspected counterfeit speakers and wireless headphones were on sale in a chain retail group. After an in-depth investigation and with the assistance of the trademark owner, Customs officers took enforcement action yesterday and raided the group's eight branches across the territory as well as an industrial unit in Kowloon. A batch of suspected counterfeit speakers and wireless headphones was seized.

During the operation, four men aged between 44 and 54 were arrested. They comprised two company directors and two shop managers.

An investigation is ongoing and the likelihood of further arrests is not ruled out.

Customs will continue to step up inspections and enforcement to vigorously combat the sale of different kinds of counterfeit goods.

Customs reminds consumers to procure goods at reputable shops and to check with the trademark owners or their authorised agents if the product's authenticity is in doubt. Traders should also be cautious and prudent with merchandising since selling counterfeit goods is a serious crime and offenders are liable to criminal sanctions.

Under the Trade Descriptions Ordinance, any person who sells or possesses for sale any goods with a forged trademark commits an offence. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years.

Members of the public may report the sale of suspected counterfeit goods to Customs' 24-hour hotline 182 8080 or its dedicated crime-reporting email

account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002).



[Fraudulent websites and phishing instant messages related to The Chugoku Bank, Ltd](#)

The following is issued on behalf of the Hong Kong Monetary Authority:

â€‹The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by The Chugoku Bank, Ltd relating to fraudulent websites and phishing instant messages, which have been reported to the HKMA. A hyperlink to the press release is available on [the HKMA website](#).

The HKMA wishes to remind the public that banks will not send SMS or emails with embedded hyperlinks which direct them to the banks' websites to carry out transactions. They will not ask customers for sensitive personal information, such as login passwords or one-time password, by phone, email or SMS (including via embedded hyperlinks).

Anyone who has provided his or her personal information, or who has conducted any financial transactions, through or in response to the websites or instant messages concerned, should contact the bank using the contact information provided in the press release, and report the matter to the Police by contacting the Crime Wing Information Centre of the Hong Kong Police Force at 2860 5012.