

LCQ17: Transitional housing projects

Following is a question by the Hon Doreen Kong and a written reply by the Secretary for Housing, Ms Winnie Ho, in the Legislative Council today (November 29):

Question:

The first newly-built transitional housing project, Nam Cheong 220, ended in November last year. Only 25.5 per cent of the tenants of the project were allocated a public rental housing (PRH) unit after the end of the project's two-year operation period, while the remaining tenants had to move again to other transitional housing or private residential units. In this connection, will the Government inform this Council:

(1) of the total number of tenants of transitional housing projects since 2021, with a breakdown by the number of persons in the household and the household structure (e.g. whether it is a single-parent household and the age distribution of children);

(2) whether the authorities have kept track of the living situation of the tenants who had resided in the Nam Cheong 220 project as at October this year; of the measures in place to support its former tenants who still need to move more than once after moving out of that transitional housing project;

(3) whether the authorities have plans to review the following arrangements: (i) when a transitional housing project adopting the Modular Integrated Construction approach is demolished, its modules can be reused in other housing projects, and (ii) operating organizations allocate transitional housing units to Category A applicants (i.e. persons who have been waiting for traditional PRH for not less than three years) and Category B applicants (i.e. persons of other categories) in the ratio of 8:2; if so, of the details; if not, the reasons for that; and

(4) whether the authorities will consider consolidating transitional housing and Light Public Housing, so as to bring the rental levels of the two types of housing closer to each other and avoid duplication of resources; if so, of the details; if not, the reasons for that?

Reply:

President,

Transitional housing has been well received by various sectors of the community, and benefited many families and individuals who are waiting for traditional public rental housing (PRH) and inadequately housed. The Government has identified land for providing over 21 000 transitional housing units, exceeding the original target of 20 000 units. As at end October this year, about 9 000 units have come into operation. It is expected that about 11 000 units will be completed and put into service in 2024, while the

remaining 1 000 units will be completed in the first quarter of 2025.

Our reply to the question raised by the Hon Doreen Kong is as follows:

(1) Under the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations (the Funding Scheme) of the Housing Bureau (HB), a total of 53 transitional housing projects have been approved so far. Among them, 19 projects have come into operation, providing about 6 400 units. In addition, there are about 2 600 units of another 32 projects which are funded by other sources, including the Community Care Fund or other schemes, such as the Pilot Scheme to Subsidise Using Rooms in Hotels and Guesthouses as Transitional Housing. The household distribution (including the numbers of units, Category A and Category B tenants) of the operating projects are set out at Annex 1.

The units under the 19 transitional housing projects mentioned above come in different designs and sizes. The types and numbers of units provided are set out at Annex 2.

As for the household structure of the tenants of transitional housing, we do not maintain the relevant information.

(2) According to the information provided by the operating organisation of Nam Cheong 220 when the project ceased operation, 24 households were allocated traditional PRH units, 58 households were rehoused to other transitional housing projects and 12 households moved to other private residential units. We have not kept track of the latest living situation of these tenants.

According to the terms of agreement entered with the organisations under the Funding Scheme, if tenants of a transitional housing project have yet to be allocated traditional PRH when the operation period of the project ends, the operating organisation of the project should endeavour to provide assistance to them to move to other transitional housing projects, or search for appropriate accommodation in the private market as far as practicable. The organisation will also provide other referral services or assistance according to the needs of individual tenants.

(3) As the Modular Integrated Construction (MiC) approach is adopted in the newly-built transitional housing projects, the modules of the projects can be demounted and re-used. At present, there are already two successful examples of re-using MiC modules in transitional housing projects, including demounting all the MiC modules of the Nam Cheong 220 project, which were originally located in Sham Shui Po, in February this year. The modules were successfully relocated to and re-assembled as one of the buildings in the "Lok Sin Village", a transitional housing project at Wong Yue Tan, Plover Cove, Tai Po.

In addition, the demounting of all the MiC modules of the three-storey transitional housing project "LST Housing" at Sung Wong Toi Road in To Kwa Wan was completed in September this year. Subsequently, the modules were transported to the warehouse in Hung Shui Kiu for inspection and restoration.

The units were confirmed to be in good condition. It is expected that they will be re-assembled into an eight-storey building in a project at Choi Hing Road, Choi Hung in January 2024. The demounting and relocation of MiC modules that can be successfully re-used in other projects embody the flexibility and sustainability of the MiC approach.

As for the ratio between Category A and Category B tenants, according to the existing mechanism, if individual operating organisations encounter practical difficulties in recruiting tenants, they can submit the relevant data to the Task Force on Transitional Housing under the HB and apply for adjustment of the tenant ratio. As at end October 2023, approval has been given to a total of five transitional housing projects under the Funding Scheme for adjustment of the tenant ratio. The relevant details (including the project names, operating organisations, approved tenant ratios after adjustment, etc) are set out at Annex 3.

(4) As the Government has reiterated before, both the Light Public Housing (LPH) and transitional housing are measures complementary to each other. As the supply of traditional PRH will not be fully in place in the coming few years, the 50 000 housing units offered by transitional housing and LPH will provide short-term housing choices for those with imminent housing needs.

To further enhance the co-ordination of and optimise the application process for transitional housing, following the introduction of the central common application form in June 2023, "TH-E" – the Central and Unified Platform for Transitional Housing was launched by the HB in September this year to facilitate the public in making online applications for transitional housing. Since the launch of the central common application form and "TH-E" platform, as at mid-November 2023, the HB has received over 9 500 applications for transitional housing. Transitional housing projects in the urban and extended urban districts have always been highly popular, with an average occupancy rate of over 90 per cent. Some of the units have already been made available for the second intake of residents, and the unit usage rate in individual projects has reached 113 per cent. For the projects in the New Territories, the average occupancy rate is over 90 per cent as well.

With the completion of LPH in phases starting from 2024-25, LPH will cater mainly for applicants who have been waiting for traditional PRH for not less than three years (i.e. Category A tenants), with priorities for families. As for transitional housing, in addition to catering for Category A tenants, it can give full play to its role in rendering community support for more Category B tenants (i.e. other categories of applicants), such as persons/families living in subdivided units who have been waiting for traditional PRH for less than three years, so as to provide them with adequate short-term accommodation and to comprehensively cover the full spectrum of people in pressing housing needs.

Regarding the issue of rent, the rent of LPH will be linked to that of traditional PRH and set at around 90 per cent of the rent of newly completed traditional PRH in the same district. While eligible persons residing in transitional housing may continue to receive allowance under the Cash Allowance Trial Scheme, those who opt for LPH will no longer be granted the

allowance. Therefore, after deducting the amount of the said allowance, the difference in rent between transitional housing and LPH will not be substantial.

We will continue to closely monitor the occupancy of transitional housing and future LPH to ensure prudent utilisation of social resources.

LCQ6: Cross-boundary Wealth Management Connect Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area

Following is a question by the Hon Robert Lee and a reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (November 29):

Question:

The financial regulatory authorities of the Mainland, Hong Kong and Macao announced on September 28 this year further enhancements to the Cross-boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area. In this connection, will the Government inform this Council:

- (1) as one of the enhancement measures is to "include eligible securities firms as participating institutions", of the relevant eligibility requirements (such as capital size and experience);
- (2) as the enhancement measures also include "expanding the scope of eligible investment products", whether the authorities will consider including investment products such as stocks, exchange traded funds, futures, precious metals and derivatives; if not, of the reasons for that; and
- (3) given that as at May this year, a total of 24 Hong Kong banks had commenced Cross-boundary Wealth Management Connect (WMC) services, while as at the end of April this year, the aggregate quota usages under the Southbound Scheme and Northbound Scheme of WMC (covering Hong Kong and Macao) were only RMB640 million and RMB260 million respectively, and it is learnt that currently, only a limited scope of Hong Kong financial institutions may participate in WMC, whether the Government has discussed with the regulatory authorities of the Mainland how to specifically expand the scope of Hong Kong financial institutions that may participate in WMC and scale up WMC services of such institutions; if so, of the details; if not, the reasons for that?

Reply:

President,

Cross-boundary Wealth Management Connect (Cross-boundary WMC) in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) was formally launched in September 2021, enabling residents in Hong Kong, Macao and nine cities in Guangdong Province to carry out cross-boundary investment in eligible wealth management products distributed by banks in the GBA. Cross-boundary WMC provides GBA residents with a formal, direct and convenient channel for cross-boundary investment in diverse wealth management products. It is a milestone in the financial development of the GBA and an important measure that deepens and widens mutual access between the financial markets of the Mainland and Hong Kong.

For Hong Kong, Cross-boundary WMC creates new business opportunities for the local wealth management industry and benefits the entire financial industry value chain. It incentivises international financial institutions to allocate resources to Hong Kong for product development, product distribution, asset management and other businesses. It also promotes the cross-boundary flow and use of Renminbi (RMB) and further consolidates Hong Kong's position as a global offshore RMB business hub.

As an innovative financial co-operation measure in the GBA involving three different regulatory systems, Cross-boundary WMC has been implemented under a pilot approach in a gradual and incremental manner. On the basis of their respective existing regulatory regimes and practices, the relevant regulators in the three places are maintaining close collaboration and seeking flexibility for policy formulation and implementation.

My consolidated reply to the question raised by the Hon Lee is as follows:

Cross-boundary WMC has seen steady development since its launch. Regarding participating institutions, currently Hong Kong banks engaging in retail banking or private banking businesses and registered with the Securities and Futures Commission (SFC) for relevant regulated activities can participate in Cross-boundary WMC. Twenty-four eligible Hong Kong banks have commenced relevant businesses with their respective Mainland partner banks.

Regarding funds, according to the statistics as of end-October 2023 published by the People's Bank of China, 62 900 individual investors in the GBA participated in Cross-boundary WMC, including 44 600 from Hong Kong and Macao and 18 300 from the Mainland, recording a total of more than 35 000 cross-boundary fund remittances (covering Hong Kong and Macao) amounting to over RMB8.65 billion. The aggregate quota usage under the Southbound Scheme and Northbound Scheme (covering Hong Kong and Macao) was over RMB2.33 billion and RMB250 million respectively (calculated on a net cross-boundary remittance basis). Since the resumption of normal travel between the Mainland, Hong Kong and Macao, the Southbound business has seen significant growth. In the first 10 months of 2023, the number of new individual investors participating in Cross-boundary WMC exceeded 6 400, representing an

increase of 70 per cent over the same period last year. Cross-boundary fund remittances amounted to over RMB6.2 billion, having increased more than fivefold over the same period last year.

Regarding investment products, Northbound eligible products include low- to medium-risk public securities investment funds and fixed income and public equity wealth management products issued by Mainland wealth management companies (excluding cash management-based wealth management products). Southbound eligible products include deposits, bonds and funds domiciled in Hong Kong and authorised by the SFC which are rated as low- to medium-risk and non-complex by Hong Kong banks. As of end-October 2023, Mainland investment products held by Hong Kong and Macao investors under Cross-boundary WMC stood at around RMB227 million, including wealth management products at around RMB152 million and funds at around RMB75 million. Investment products of Hong Kong and Macao held by Mainland investors under Cross-boundary WMC stood at around RMB2.351 billion, including funds at around RMB28 million, bonds at around RMB6 million and deposits at around RMB2.317 billion.

The financial regulatory authorities of the Mainland, Hong Kong and Macao jointly announced in late-September this year that they would enhance Cross-boundary WMC along five directions, including refining the eligibility criteria of investors to support more GBA residents to participate in the scheme, extending the scope of participating institutions to include eligible securities firms, expanding the scope of eligible investment products, increasing the individual investor quota as appropriate, and further enhancing the promotion and sales arrangements.

For extending the scope of participating institutions to include eligible securities firms, the SFC is considering the criteria for licensed corporations to participate in the pilot scheme, including their licence requirements, capital size, experience and transaction volume of selling investment products (bonds and funds), internal systems and supervision arrangements, etc.

We believe that the enhancement measures will further enrich the investment options of GBA residents and promote mutual access of the financial markets of the three places conducive to the industry's exploration of business opportunities in the GBA, further realising the potential of Cross-boundary WMC while enhancing Hong Kong's position as an international asset management centre. The regulatory authorities of the three places are refining the implementation arrangements and operational guidance with a view to announcing relevant details and launching the measures as soon as practicable.

Thank you, President.

[Hong Kong Customs seizes suspected counterfeit goods worth about \\$3.7 million \(with photo\)](#)

Hong Kong Customs on November 20 seized about 10 000 items of suspected counterfeit goods with a total estimated market value of about \$3.7 million at the Tuen Mun River Trade Terminal Customs Cargo Examination Compound.

Through risk assessment, Customs on that day inspected a 40-foot container arriving in Hong Kong from Nansha, Guangdong. After inspection, Customs officers found the batch of suspected counterfeit goods, including footwear, clothes, earphones, handbags and underwear.

An initial investigation revealed that the batch of suspected counterfeit goods would be transhipped to overseas regions.

An investigation is ongoing.

Customs will continue to combat cross-boundary counterfeit goods activities with stringent enforcement action based on risk assessment and intelligence analysis.

Under the Trade Descriptions Ordinance, any person who imports or exports any goods to which a forged trademark is applied 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 any suspected counterfeiting activities to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002).



LCQ10: Stockpiles of emergency supplies

Following is a question by the Hon Chan Han-pan and a written reply by the Secretary for Commerce and Economic Development, Mr Algernon Yau, in the Legislative Council today (November 29):

Question:

There are views that Hong Kong experienced several waves of panic buying of different supplies during the outbreak of the Coronavirus Disease 2019 epidemic and when it was affected by the news about unfavourable external factors, and that such a situation highlights Hong Kong's shortcoming of relying heavily on importation of supplies from outside the territory. In this connection, will the Government inform this Council:

(1) whether it has tracked the monthly stocks of edible salt, frozen meat, medicine containing paracetamol, masks and disinfectant alcohol in Hong Kong in the past five years; if so, set out the relevant figures in a table;

(2) whether it will update the existing statutory list of reserved commodities to include other emergency supplies; if so, of the details and the timetable; if not, the reasons for that; and

(3) whether it will consider, when leasing out logistics sites, including a provision requiring the lessees to assist the Government in the storage of emergency supplies; if so, of the details and the timetable; if not, the reasons for that?

Reply:

President,

The COVID-19 epidemic lasted for over three years. With the full support from the Central Government and efforts by the Hong Kong Special Administrative Region (HKSAR) Government, the HKSAR has been striving to ensure a sufficient and stable supply of food and various major supplies. Having consulted the Development Bureau, the Environment and Ecology Bureau, the Health Bureau and the Transport and Logistics Bureau, the consolidated reply to the various parts of the question is as follows:

(1) Information on imports of the five products in question in the past five years is as follows:

Category	Unit	2018		2019		2020		2021		2022	
		Value (HK\$ million)	Quantity (million)	Value (HK\$ million)	Quantity (million)	Value (HK\$ million)	Quantity (million)	Value (HK\$ million)	Quantity (million)	Value (HK\$ million)	Quantity (million)
Edible salt	kg	65.3	49.7	67.1	51.2	67.0	45.4	74.5	48.7	81.7	47.8
Frozen meat	kg	26,027.2	923.9	21,518.0	760.2	21,676.1	725.9	19,201.5	635.7	12,178.1	381.0

Medicine containing paracetamol	–	352.5	–	359.0	–	391.7	–	403.6	–	466.6	–
Face mask (Note)	No.							411.5	438.3	1,099.2	652.4
Disinfectant alcohol	kg	125.2	4.9	143.6	6.2	1,295.9	46.5	335.9	14.0	368.7	17.1

Relevant government departments have been monitoring the supply situation in the market, and liaised with the trade closely to ensure a stable supply.

As an illustration, in the face of the shortage of supply around the world and in the local market at that time, the Government took the breakthrough step of establishing the Local Mask Production Subsidy Scheme in March 2020 to provide subsidy to facilitate the establishment of local mask production facilities and the building up of stock. The 20 subsidised production lines collectively delivered about 470 million masks to the Government within one year. The Government also provided technical support through the Hong Kong Productivity Council to another 35 production lines to increase local production.

(2) Hong Kong has all along been committed to free market economic principles and is also a free port. Unless otherwise prescribed by law with sufficient policy justifications, all commodities can be freely imported and exported. This is one of the important factors to attract foreign investment and businesses to Hong Kong and the international obligation that Hong Kong needs to adhere to.

Currently, only rice is scheduled as a reserved commodity under the Reserved Commodities Ordinance. Owing to then mounting concerns over the supply of certain foods, the Government has been operating the Rice Control Scheme since 1955, as well as imposing controls on frozen meat and frozen poultry later on. The Government formulated legislation to regulate the imports, exports and reserve stocks of the relevant foods to ensure a stable supply and maintenance of a reserve stock to cater for emergencies and momentary short supply.

Compared with the situation in previous decades, the supply and choices of food stock in Hong Kong have changed significantly. Coupled with the global trend of free trade, the Government has gradually opened up markets and minimised controls. That included the removal of frozen meat and frozen poultry from the Reserved Commodities Ordinance in 2000 and the liberalisation of the rice market and maintenance of minimum level of controls on rice trade since 2003.

When considering whether to impose control on certain commodities, we have to take into consideration the international obligations that Hong Kong needs to adhere to (e.g. World Trade Organization rules) and the impacts of controls on the free trade environment, market competition and market efficiency and flexibility, etc, of Hong Kong.

At the moment, the relevant bureaux have no plan to add any commodity under the Reserved Commodities Ordinance.

(3) The Government does not see a need for additional space for storage of statutory reserved commodity at the moment. In general, if the Government sees a need for space or floor area for certain specified purposes, we will consider different options, including imposing requirement through conditions of grant.

Note: Separate figures for face masks prior to 2021 are unavailable as they were classified as textile articles before 2021.

[Inspection of aquatic products imported from Japan](#)

In response to the Japanese Government's plan to discharge nuclear-contaminated water at the Fukushima Nuclear Power Station, the Director of Food and Environmental Hygiene issued a Food Safety Order which prohibits all aquatic products, sea salt and seaweeds originating from the 10 metropolis/prefectures, namely Tokyo, Fukushima, Ibaraki, Miyagi, Chiba, Gunma, Tochigi, Niigata, Nagano and Saitama, from being imported into and supplied in Hong Kong.

For other Japanese aquatic products, sea salt, and seaweeds that are not prohibited from being imported into Hong Kong, the Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department will conduct comprehensive radiological tests to verify that the radiation levels of these products do not exceed the guideline levels before they are allowed to be supplied in the market.

As the discharge of nuclear-contaminated water is unprecedented and will continue for 30 years or more, the Government will closely monitor and step up the testing arrangements. Should anomalies be detected, the Government does not preclude further tightening the scope of the import ban.

From noon on November 28 to noon today (November 29), the CFS conducted tests on the radiological levels of 172 food samples imported from Japan, which were of the "aquatic and related products, seaweeds and sea salt" category. No sample was found to have exceeded the safety limit. Details can be found on the CFS's thematic website titled "Control Measures on Foods Imported from Japan" (www.cfs.gov.hk/english/programme/programme_rafs/programme_rafs_fc_01_30_Nuclear_Event_and_Food_Safety.html).

In parallel, the Agriculture, Fisheries and Conservation Department (AFCD) has also tested 50 samples of local catch for radiological levels. All the samples passed the tests. Details can be found on the AFCD's website (www.afcd.gov.hk/english/fisheries/Radiological_testing/Radiological_Test.htm).

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The Hong Kong Observatory (HKO) has also enhanced the environmental monitoring of the local waters. No anomaly has been detected so far. For details, please refer to the HKO's website (www.hko.gov.hk/en/radiation/monitoring/seawater.html).

From August 24 to noon today, the CFS and the AFCD have conducted tests on the radiological levels of 17 042 samples of food imported from Japan (including 11 320 samples of aquatic and related products, seaweeds and sea salt) and 4 812 samples of local catch respectively. All the samples passed the tests.