

LCQ5: Developing marine economy

Following is a question by the Hon Steven Ho and a reply by the Secretary for Environment and Ecology, Mr Tse Chin-wan, in the Legislative Council today (May 14):

Question:

It has been reported that a number of coastal provinces in the Mainland have set up inter-departmental co-ordination groups led by provincial governors to co-ordinate policies on marine economy. However, there are views pointing out that the development of marine economy in Hong Kong is taken forward in a piecemeal fashion without top-level planning. In this connection, will the Government inform this Council:

(1) as there are views that development of marine economy involves various portfolios and it is difficult for a single-policy bureau to co-ordinate inter-departmental resources, whether the Government will make reference to the experience of the Mainland and set up a dedicated team led by officials at the decision-making level to co-ordinate the development of marine economy; if so, of the details and the implementation timetable; if not, the reasons for that;

(2) as there are views that the existing policy focusing on regulation may hinder the development of marine economy, how the Government will promote the development of maritime industries, e.g. of the breakthroughs in terms of the introduction of the relevant legislative amendments and innovative policies, as well as the enhancement of cross-boundary co-operation and co-ordination; and

(3) apart from the three tourism projects currently being taken forward by the Development Bureau under the large-scale land-disposal approach, whether the Government will consider selecting more islands and coastal areas with potential for tourism development to implement the large-scale land-disposal approach on a trial basis, so as to bring in social capital for participation in infrastructure development and operation, thereby enhancing the competitiveness of marine tourism in Hong Kong?

Reply:

President,

International organisations and individual economies have different definitions for "marine economy", and there is no unified global standard on which industries fall under the scope of marine economy. For Hong Kong, having made reference to the breakdown of the industry classification of the Mainland's marine economy and roughly compared the industries covered therein with those in the Hong Kong Standard Industrial Classification Version 2.0 compiled by the Hong Kong Census and Statistics Department and other known

industry classifications, the Government Economist considered that the marine economy-related activities in Hong Kong can be broadly categorised into the following six categories:

1. maritime transport and port industry;
2. marine tourism;
3. marine utilisation, extraction, production and related manufacturing;
4. wholesale and retail of marine products;
5. marine public administration and social services; and
6. marine scientific research, technology and information services.

One of the six categories, "maritime transportation and port industry" includes ports, shipping, and maritime commercial services. In 2022, this sector contributed 4.2 per cent to Hong Kong's Gross Domestic Product (GDP) and accounted for 2.1 per cent of total employment. Besides, "marine utilisation, extraction, production, and related manufacturing", along with "wholesale and retail of marine products", are partially related to capture fisheries and mariculture. According to data from the Agriculture, Fisheries and Conservation Department (AFCD), the local capture fisheries and mariculture production in 2023 was approximately 87 000 tonnes, with a total value of about \$2.4 billion, estimated to contribute less than 0.1 per cent to GDP. As for the remaining three categories, their value-added contributions could not be estimated due to limited data.

Having consulted the Deputy Financial Secretary, the Transport and Logistics Bureau (TLB), Culture, Sports and Tourism Bureau (CSTB), the Innovation, Technology and Industry Bureau (ITIB), and the Development Bureau (DEVB), my consolidated reply to the question of the Hon Steven Ho is as follows:

(1) Given the extensive scope of the marine economy, which encompasses a diverse range of industries and development models, multiple policy bureaux and departments within the Special Administrative Region (SAR) Government are responsible for related areas. Relevant bureaux and departments attach importance on these developments and have formulated and implemented strategies, action plans, or blueprints accordingly. Each policy bureau and department, in accordance with their professional functions, introduces targeted measures to advance the development of marine economy-related areas under its purview, which are in line with the overarching policy direction, strategies, and pace of development. This approach fosters synergies between marine economy development strategies and other initiatives within the respective bureaux and departments, thereby more effectively achieving their policy objectives. The Government believes that the current approach suits Hong Kong's circumstances. Bureaux and departments will continue to review the development direction and progress of their respective areas, working collectively to drive the growth of marine economy. The SAR Government will also monitor progress across all fronts and, if necessary, explore ways to optimise the development approach.

(2) The development of marine economy in Hong Kong does not only focus on regulations. For example, the TLB has all along been promoting the

development of Hong Kong as an international maritime centre, and has been collaborating closely with the industry to implement various measures under the Action Plan on Maritime and Port Development Strategy, including strengthening regional collaboration and global connectivity to attract new cargo sources to Hong Kong Port, while driving the port's digitalisation, greening, and adoption of smart technologies; enhancing tax incentives for the maritime industry and introducing a half-tax concession for commodity traders; strengthening the high-quality reputation of Hong Kong ship registration; elevating the prominence of the Hong Kong Maritime Week, and attracting international organisations to host maritime events in Hong Kong.

On maritime services, apart from enforcing the relevant legislation to ensure marine safety, the Marine Department (MD) also endeavours to make maritime services more convenient. For instance, allowing the use of electronic certificates instead of paper-based certificates for ship-related matters. The MD also maintains close liaison and collaboration with Mainland maritime authorities at all levels.

On marine tourism, the CSTB put forward in the Development Blueprint for Hong Kong's Tourism Industry 2.0 to make more and better use of Hong Kong's rich island and coastline tourism resources. As such, the CSTB encourages the development of more diverse tourism products with characteristics, and is ready to study and foster areas where removal of statutory and regulatory barriers are required. At the same time, the CSTB actively promotes development of island tourism and large-scale integrated resort projects focusing on eco-tourism, as well as continues to consolidate Hong Kong's position as Asia's hub for international cruise thereby promoting development of cruise tourism.

The ITIB has all along been dedicated to enhancing Hong Kong's innovation and technology ecosystem with a view to supporting the development of different technology industries (including marine technology) in various areas including capital, research and development, supporting tech start-ups and talent. At present, Hong Kong has one State Key Laboratory of Marine Pollution, contributing to the protection and management of the marine environment.

On the fisheries front, the Environment and Ecology Bureau and the AFCD are actively taking forward the various initiatives under the Blueprint for the Sustainable Development of Agriculture and Fisheries, including designation of four new fish culture zones as well as introduction of modernised facilities to support development of mariculture, explore the streamlining of relevant legislations to promote development of leisure fisheries, and at the same time strengthen co-operation with the Mainland. To further enhance the competitiveness of local agricultural and fisheries products, the AFCD plans to establish a unified new brand for safe, low-carbon and premium local agricultural and fisheries products, and to establish production standards, farming methods as well as a certification and traceability system for these products, etc. The AFCD will continue to actively participated in the promotional activities in the Guangdong-Hong Kong-Macao Greater Bay Area to promote quality local products. In addition,

the AFCD has designated three new marine parks in the past five years, and has also formulated new fishery management strategies in marine parks and implemented marine ecological enhancement measures.

(3) The DEVB is actively pursuing the three projects under large-scale land disposal located on islands or coastal destinations, and in April this year invited the market to submit expression of interest for these three development proposals.

Besides, the DEVB recently has also proposed to provide marina and land supporting facilities at two waterside areas, namely the Aberdeen Typhoon Shelter expansion area and the harbourfront site in the vicinity of the Hung Hom Station.

As to whether there are other suitable sites for large-scale land disposal in the future, the DEVB is willing to listen to different views, and will consider the experiences gained from taking forward the above three projects.

Thank you, President.

[FEHD cancels licence of restaurant in Causeway Bay](#)

â€‹The Director of Food and Environmental Hygiene today (May 14) cancelled the licence of a general restaurant in Causeway Bay, as the licensee repeatedly breached the Food Business Regulation (FBR) for dirty food room and illegal extension of the food business area. The restaurant concerned has had to cease operation with immediate effect.

The restaurant is located on the ground floor of 7 Caroline Hill Road.

"Two convictions for the above-mentioned breach were recorded against the restaurant licensee in March and November of last year. A total fine of \$4,700 was levied by the court and 15 demerit points were registered against the licensee under the department's demerit points system. The contraventions resulted in the cancellation of the licence," a spokesman for the Food and Environmental Hygiene Department (FEHD) said.

The licensee concerned had a record of four convictions for extending the business area illegally between July 2023 and June of last year. A total fine of \$10,700 was levied and 60 demerit points were also registered, resulting in a seven-day and 14-day licence suspension in December 2023 and between August and September last year respectively.

The spokesman reminded licensees of food premises to comply with the FBR

or their licences could be suspended or cancelled.

Licensed food premises are required to exhibit their licence and a sign at a conspicuous place of the premises, indicating that the premises has been licensed. A list of licensed food premises is available on the FEHD website (www.fehd.gov.hk/english/licensing/licence-foodPremises-search.html).

[LCSD welcomes public to join free programmes of Performing Arts Fun Day 2025 \(with photos\)](#)

The Leisure and Cultural Services Department will present a series of events of Performing Arts Fun Day 2025 at Yuen Long Theatre (YLT), Kwai Tsing Theatre (KTT) and Sha Tin Town Hall (STTH) in May and June. Artists and performing groups will offer free music, dance and theatre performances as well as workshops and exhibitions. Members of the public are welcome to join and immerse themselves in the enchanting world of performing arts.

The first of the Fun Day series will take place at YLT from 2pm on May 18 (Sunday), with activities including performances and workshops of handbell, choir, Cantonese opera, dance and guzheng. Guided stage tours will also be held for participants to explore the Auditorium of YLT including the backstage, which is rarely open to public, and learn more about the advanced stage equipment and operations. Parent-child storytelling sessions, a book display, and an exhibition celebrating the 25th anniversary of YLT will also be held at the foyer, while guzheng performances will be held at the bamboo courtyard in the Theatre. This Performing Arts Fun Day 2025 event is one of the programmes celebrating the 25th anniversary of YLT.

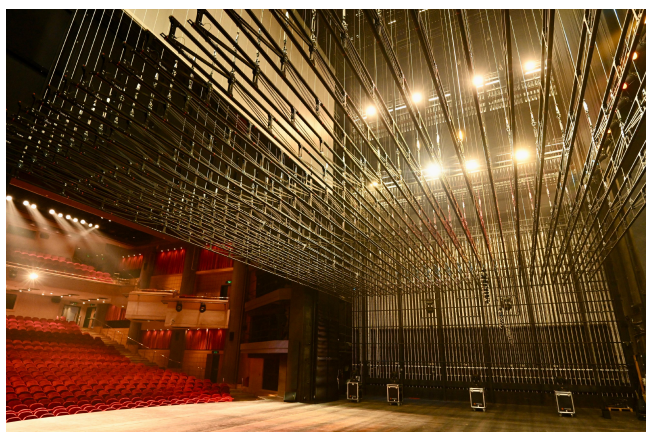
KTT will hold another Fun Day series from 2.15pm on May 25 (Sunday). Audiences will be welcomed by a variety of jazz tunes performed by members from the Hong Kong Youth Jazz Collective of the Count-In Music with guided appreciation of jazz music. A cappella group Boonfaysau and participants of the 18dART Community Arts Scheme in Kwai Tsing will perform an array of pop songs. In addition, Ming Ri Institute For Arts Education will stage an interactive theatre performance, "The Kingdom of Fairy Tales", while the Kwai Chung & Tsing Yi District Culture & Arts Co-ordinating Association will give an exhilarating dance performance.

The third Fun Day will be held at STTH from 2pm on June 8 (Sunday). Professional dancers of the Hong Kong Dance Company will demonstrate various types of Chinese classical and ethnic dance, accompanied by dance appreciation and an interactive session. Apart from a Cantonese opera experimental theatre performance and an accessories workshop by Cantonese

Opera Advancement Association, the Hong Kong Theatre Works will conduct the "Not One Less" interactive theatre, suitable for families. Guided tours of the City Art Square will be held to introduce public sculptures and installations created by world-renowned artists in the outdoor spaces of STTH.

Admission by ticket is required for some events with limited places. Tickets are distributed on a first-come, first-served basis. For details, please visit the websites of the YLT

(www.lcsd.gov.hk/en/ylt/performingartsfunday2025.html), KTT (www.lcsd.gov.hk/en/ktt/performingartsfunday2025.html) and STTH (www.lcsd.gov.hk/en/stth/programmes/funday2025.html).



[LCQ22: Reverse Mortgage Programme](#)

Following is a question by the Hon Chan Chun-ying and a written reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (May 14):

Question:

It has been reported that 426 reverse mortgage registrations were recorded in the whole of last year, but the number was still far below the level at times of rising property prices (e.g. 751 in 2017 and 621 in 2018).

It is learnt that the Hong Kong Mortgage Corporation Limited (HKMC) has made a number of enhancements to the Reverse Mortgage Programme (the Programme), including raising the maximum amount of specified property value for payout calculation and introducing a new promotional offer of an enhanced fixed-rate mortgage plan in 2021. In this connection, will the Government inform this Council:

(1) of the respective numbers of applications for the (i) floating-rate and (ii) fixed-rate mortgage plans under the Programme in each of the past three years, together with a breakdown by payout period (i.e. 10 years, 15 years, 20 years and life); the number of applications for the enhanced fixed-rate mortgage plan under the aforesaid fixed-rate mortgage plan;

(2) whether it has analysed the specific reasons for the rebound in reverse mortgage registrations in the past two years; if so, of the details; if not, the reasons for that; and

(3) whether it has conducted a systematic assessment of the effectiveness of the previous measures to enhance and promote the Programme, so as to further enhance the Programme and introduce a new round of publicity and promotional measures, such as relaxing the age limit of mortgaged properties and the upper limit of the number of co-borrowers, thereby increasing the attractiveness of the Programme; if so, of the details; if not, the reasons for that?

Reply:

President,

One of the missions of the Hong Kong Mortgage Corporation Limited (HKMC) is to promote the development of the retirement planning market. To this end, the HKMC launched the brand of "HKMC Retire 3" in mid-2021 to promote the HKMC Annuity Plan, the Reverse Mortgage Programme (RMP) and the Policy Reverse Mortgage Programme. In consultation with the HKMC, the reply to the three parts of the question is as follows:

(1) The numbers of applications for the RMP in the past three years are as follows:

| Payment term | Floating-rate mortgage plan | Fixed-rate mortgage plan | Total |
|----------------------|-----------------------------|--------------------------|----------------------------|
| January – April 2025 | | | |
| 10 years | 17 | 37 | 54 |
| 15 years | 13 | 33 | 46 |
| 20 years | 5 | 34 | 39 |
| Life | 51 | 160 | 211 |
| Total | 86 | 264 | 350 (+11% year-on-year) |

| 2024 | | | |
|----------|-----|-----|------------------------------|
| 10 years | 31 | 152 | 183 |
| 15 years | 15 | 111 | 126 |
| 20 years | 4 | 92 | 96 |
| Life | 86 | 526 | 612 |
| Total | 136 | 881 | 1 017 (+26% year-on-year) |
| 2023 | | | |
| 10 years | 8 | 143 | 151 |
| 15 years | 4 | 104 | 108 |
| 20 years | 3 | 74 | 77 |
| Life | 30 | 439 | 469 |
| Total | 45 | 760 | 805 (-16% year-on-year) |
| 2022 | | | |
| 10 years | 3 | 171 | 174 |
| 15 years | 2 | 121 | 123 |
| 20 years | 3 | 98 | 101 |
| Life | 7 | 559 | 566 |
| Total | 15 | 949 | 964 (+22% year-on-year) |

The RMP offered the Enhanced Fixed-rate Mortgage Plan for members of the "AMIGOS By HKMC" loyalty programme from mid-July 2021 to the end of 2022. The monthly payout under the offer was higher than that under the floating-rate mortgage plan at that time by up to 30 per cent, while the monthly mortgage insurance premium was increased by 0.25 per cent per annum. The Enhanced Fixed-rate Mortgage Plan received 884 applications in total.

(2) As reverse mortgage is a loan arrangement by nature, its demand is affected by various factors, such as the personal needs of individual retired homeowners and the condition of the residential property and financial markets (including interest rate fluctuation), etc. The HKMC has been keeping under review the condition of applications for the RMP. Through years of ongoing efforts in promotion and education, the public has become more receptive to the RMP and the other two products, and has a better understanding of the benefits of the products in respect of retirement financial planning. The number of applications for the RMP has also increased steadily. The HKMC will continue with its public education and promotion to further enhance the public's understanding of the RMP.

(3) The HKMC and its relevant subsidiaries review the details of the RMP from time to time in light of changes in the market in accordance with the principle of prudent risk management.

Currently, if the age of the property involved in an application for the RMP exceeds 50 years, such application will be considered on a case-by-case basis, and the applicant may be required to submit a building inspection report. There have been approved applications under the RMP involving properties that exceed 50 years of age. In addition, the RMP allows a joint application by up to three borrowers. Nevertheless, the vast majority of applications involved one or two borrowers, and cases with three borrowers accounted for less than 1 per cent.

The HKMC and its relevant subsidiaries will continue carrying out public education and promotion, including through promotional videos, seminars, exhibitions, collaborations with various organisations and a loyalty programme, to explain the concepts of longevity risk and retirement financial planning, so as to help the elderly make sound financial arrangements.

LCQ13: Incident handling by MTR Corporation Limited

Following is a question by the Hon Carmen Kan and a written reply by the Secretary for Transport and Logistics, Ms Mable Chan, in the Legislative Council today (May 14):

Question:

Regarding the incident handling by the MTR Corporation Limited (MTRCL), will the Government inform this Council:

(1) according to the existing railway incident reporting mechanism (the mechanism), of the follow-up actions taken by the authorities upon receipt of an incident report; MTRCL's (including the heavy rail and the Light Rail) compliance with the mechanism in each of the past five years, and set out the following information in table form:

(i) the nature, cause, delay time, recovery time, remedial measures taken and number of passengers affected for each incident; and
(ii) the number of incidents of service disruption of 31 minutes or above caused by factors within the control of MTRCL under the Service Performance Rebate, and their percentage of the total number of incidents in that year;

(2) given that the existing service performance rebate mechanism of MTRCL has been enhanced in 2023 (the new arrangement), whether it knows the cumulative number of incidents per year of train service disruptions, including all delays and suspensions, attributable to equipment fault or human error during peak and non-peak hours of MTR services (including the heavy rail and the Light Rail) after the implementation of the new arrangement, and the cumulative amount set aside by MTRCL in this regard, together with a breakdown in table form by disruption time (i) equal to or more than 31

minutes but less than or equal to one hour, (ii) more than one hour but less than or equal to two hours, (iii) more than two hours but less than or equal to three hours, (iv) more than three hours but less than or equal to four hours, and (v) each additional hour (or part thereof) exceeding four hours;

(3) as there are views that it is unreasonable that the new arrangement only requires MTRCL to set aside an equivalent amount for service disruptions of 31 minutes or above caused by factors within its control, and that the maximum amount to be set aside per incident is merely \$40 million, coupled with the fact that the peak hour referred to in the new arrangement (i.e. between 8am and 9am and between 6pm and 7pm from Monday to Friday (excluding public holidays and except for the Airport Express)) is inconsistent with that of the road harbour crossings (i.e. between 7.30am and 10.15am and between 4.30pm and 7pm from Monday to Saturday (excluding public holidays)), whether the authorities will request MTRCL to review and enhance the new arrangement (including the definition of peak hour); if so, of the details; if not, the reasons for that;

(4) given that there were engineering train faults at Tai Wo Station and Fo Tan Station on February 5 and the 27th of last month this year respectively, whether it knows the following information about the two faults: (i) the engineering train manufacturers, (ii) the spare parts suppliers, and (iii) the maintenance service providers involved; whether the same faults have occurred in other countries/regions using engineering trains of the same model; if so, of the details; whether the authorities have imposed any regulation on MTRCL to require it to establish a management and performance monitoring mechanism for the procurement of engineering trains and/or the contracts for the engagement of third-party suppliers; if it has, of the details; if not, the reasons for that;

(5) as the Electrical and Mechanical Services Department (EMSD) has indicated that it will initiate a special audit on MTRCL to holistically review its maintenance emergency preparedness concerning engineering trains, whether EMSD has initiated special audits on similar incidents in the past five years; if so, of the details; if not, the reasons for that; and

(6) given that MTRCL has undertaken to put in over \$65 billion between 2023 and 2027 in asset renewal and railway facility maintenance, whether it knows the scope of use of the sum and the amount to be put in each year; whether the Transport and Logistics Bureau (TLB) has formulated monitoring programmes to ensure that MTRCL renews and maintains its railway facilities in strict accordance with the plans vetted and approved by TLB; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government has always attached great importance to railway safety. The relevant government regulatory authorities will maintain close collaboration with the MTR Corporation Limited (MTRCL) to regulate railway services, proactively audit the railway system, and monitor the MTRCL in

putting in resources and applying new technologies to improve its asset management and maintenance work. In consultation with the Electrical and Mechanical Services Department (EMSD), the Transport Department (TD), and the MTRCL, my consolidated reply to the questions raised by the Hon Carmen Kan is as follows:

(1) and (2) According to the existing railway incident reporting mechanism, the MTRCL is required to notify the TD of any railway incidents that have caused train service disruption of eight minutes or are expected to cause disruption of eight minutes or more. Upon receiving the notification, the TD will work in close liaison with the MTRCL on train service adjustments, and co-ordinate with other public transport operators to enhance services as appropriate, as well as to disseminate the latest public transport information to the public through the media and various channels as soon as possible. In addition, the MTRCL is required to notify the Government of any occurrences or accidents on the railway under the Mass Transit Railway Regulations (Cap. 556A). The EMSD, as the statutory regulatory authority on railway safety, will immediately deploy personnel to the site for inspection and investigation. It will also follow up with the MTRCL's investigation and follow-up work, and ensure that the MTRCL implements the improvement measures in an effective and holistic manner to prevent recurrence of similar incidents.

The MTRCL has been following the relevant requirements on notifying the Government of incidents that cause train service disruptions and accidents. It will also, at its best endeavour, maintain services while carrying out emergency repairs (including deploying additional staff for crowd management, making public announcements, issuing station notices and helping with passengers' ticketing issues at the concerned stations), so as to reduce the impact on passengers' travelling.

In 2024, the MTRCL operated more than 1.8 million train trips on its heavy rail network, making an average of over five million passenger trips every day. The level of Train Service Delivery and Passenger Journeys On Time maintained at a high standard of 99.9 per cent. Last year, there were five incidents of service disruption of 31 minutes or more on the heavy rail and light rail networks due to factors within the MTRCL's control. The number of heavy rail and light rail service disruptions (with breakdowns by causes and duration of disruptions) over the past five years, together with the respective amounts set aside by the MTRCL under the Service Performance-Linked Arrangement (SPA) and the enhanced Service Performance Rebate (SPR), are set out at the Annex.

The MTRCL adopts Passenger Journeys On Time as an indicator for reflecting the proportion of passenger journeys completed on schedule for its railway network. The higher the indicator reading, the lower the number of passenger journeys affected by service disruptions. The Passenger Journeys On Time of the MTRCL reached 99.9 per cent on average over the past five years. In other words, only once would a passenger be unable to complete a journey within five minutes of the scheduled time in every 1 000 train rides.

(3) Under the SPA and the enhanced SPR, the MTRCL is required to set aside an

amount for serious service disruptions (defined as disruptions of 31 minutes or more) caused by factors within its control to be given back to passengers through fare concessions. Once the SPR funding pool reaches the pre-defined amount, the MTRCL will arrange a Special Fare Day on a specific weekend for returning the amount to its passengers in the form of half-fare concession to all Octopus or QR code ticket users travelling on all MTR lines during that day. The whole of the amount set aside under the SPR funding pool will be returned to passengers in full through the Special Fare Days.

The Government and the MTRCL have all along listened carefully and humbly to the views of stakeholders, and will regularly review the Fare Adjustment Mechanism, including the SPR arrangement. For example, in 2023, the Government and the MTRCL further optimised the SPR arrangement having regard the opinions from the public and stakeholders. To respond to public opinions, and to more duly reflect the impact of train service disruptions on passengers, the SPR arrangement was enhanced by increasing the amount to be set aside for incidents that have caused disruptions of more than three hours and the maximum amount to be set aside per incident, as well as introducing a peak hour multiplier.

When reviewing the relevant mechanism next time, the Government and the MTRCL will, as in the past, take a holistic approach in considering various factors, especially the MTRCL's service performance, the public's views and concerns, lessons learnt from past incidents, etc. and carefully explore suitable options with a view to providing more effective impetus for the MTRCL to enhance its service performance and strengthen emergency response in handling incidents. We will also consider as appropriate the impact of an incident on passengers, and the emergency recovery arrangements of frontline railway staff to avoid affecting the emergency recovery work and jeopardising overall railway safety due to time pressure.

(4) According to the information provided by the MTRCL, the crane engineering vehicle and the overhead-line inspection vehicle are supplied by manufacturers in Germany and Italy respectively, and are within the normal asset life. In daily operations, the MTRCL has always made reference to the suppliers' recommendations in formulating corresponding maintenance regimes, including the provision of suitable spare parts and regular maintenance. The MTRCL also has stringent procurement procedures in place and will ensure that the arrangements and procedures for selecting engineering vehicle suppliers comply with the relevant procurement procedures. In respect of the engineering train incidents, the MTRCL is conducting joint investigations with the respective suppliers to look into the causes of the incidents.

The MTRCL has a regular asset management system (AMS), which includes a maintenance management system. The asset management process covers the entire lifecycle of assets, including the procurement, operation, maintenance and renewal of assets. The MTRCL's AMS has been certified to the ISO 55001 standard, indicating that its maintenance management has attained international recognition. To ensure the effective execution of asset management by the MTRCL, the EMSD will scrutinise the AMS and the maintenance management system of the MTRCL regularly, and conduct random/surprise inspections of its maintenance work.

(5) The EMSD has implemented the Comprehensive and Direct Assessment (C&DA) since 2019, which involves proactively auditing the MTRCL's AMS of the four major railway assets (namely the permanent way, power distribution, rolling stock and signalling system) as well as the safety management system of all operating railway lines. The EMSD will also conduct special audits as and when necessary on specific items such as trackside equipment and structural buildings, training for train captains, power supply systems, etc. in response to railway incidents. The EMSD completed the C&DAs on the AMS of the MTRCL's rolling stock in the first quarter of 2025, which also covered all engineering train assets. The EMSD has made a series of recommendations to the MTRCL for strengthening the assessment and monitoring of the service life and component condition of engineering trains. The MTRCL is implementing the relevant measures by phases. The special audit to be conducted by the EMSD this time will cover the maintenance and contingency procedures for engineering trains, as well as the implementation progress of the above recommendations.

(6) The MTRCL completed a comprehensive review of its railway asset management and maintenance regime in June 2023, and was set to enhance the above regime following five key directions, including putting in over \$65 billion during the five years from 2023 to 2027 for the renewal and maintenance of railway facilities as well as accelerating the application of innovative technologies in railway services and asset maintenance, with a view to strengthening the railway asset management and maintenance regime. A timeline for implementing each of the recommended follow-up actions has been set out in the MTRCL's review report. The Government has been closely monitoring the progress and implementation of the follow-up work by the MTRCL, and keep track of the effectiveness of the various recommended measures.

According to the information provided by the MTRCL, items that are covered by the \$65 billion committed resources include routine asset maintenance and renewal of assets, ranging from rolling stock, signalling systems, power supply systems to a variety of station facilities, etc. The Government will continue to closely monitor the MTRCL's performance in asset maintenance to ensure that the MTRCL provides sufficient resources for the completion of asset renewal on schedule, so that the railway assets will be operating well in a safe and reliable manner.