

## LCQ4: Online teaching and learning

Following is a question by the Hon Elizabeth Quat and a written reply by the Secretary for Education, Mr Kevin Yeung, in the Legislative Council today (May 13):

Question:

In view of the severity of the Coronavirus Disease 2019 epidemic, the Education Bureau has earlier deferred for several times the resumption of classes at schools and recommended that schools should provide students with learning materials through school websites, e-learning platforms, etc. during the period of class suspension, so that students can continue their studies at home, thereby achieving the objective of "suspending classes without suspending learning". In this connection, will the Government inform this Council:

(1) given that the Government launched in the last school year an assistance programme known as "Provision of Subsidy to Needy Primary and Secondary Students for Purchasing Mobile Computer Devices to Facilitate the Practice of e-Learning" under the Community Care Fund to subsidise students to purchase mobile computer devices, whether the Government will consider extending the assistance programme's scope of subsidy to cover the costs for Internet access and acquisition of ancillary equipment as well as raising the subsidy rate, so as to assist grass-roots families in meeting the relevant expenses; if so, of the details; if not, the reasons for that;

(2) as quite a number of parents of grass-roots families have relayed that they lack the knowledge and skills to guide their children on computer operation and online learning, of the measures put in place by the Government to assist such parents, and whether it will organise related seminars or workshops;

(3) on making pre-recorded teaching videos for students to watch on their own and conducting real-time online teaching, whether the Government has studied the differences between these two approaches in terms of effectiveness in teaching and learning; whether it has examined the situation and effect of the use of video conferencing software by schools in teaching; and

(4) whether it has reviewed the mode, operation and effectiveness of online teaching implemented by schools throughout Hong Kong during the period of class suspension; whether it will draw up guidelines on the teaching requirements and modes for online teaching for schools to follow; if so, of the details; if not, the reasons for that?

Reply:

President,

During the period of class suspension, the Education Bureau (EDB) has recommended that schools should continue to support students in their home

learning through suitable modes of learning and teaching according to their own circumstances and the needs of students at different key stages. Teaching and learning modes are diversified. Both online and offline learning should focus on encouraging students' self-directed learning at home and cater for students' needs and the school context. E-learning is only a form of learning. Apart from real-time online teaching, teachers may provide students with learning materials, after-school exercises and texts for extra-curricular reading, collect assignments and offer feedback by using the learning management systems that they are familiar with, as well as emails and the school website. Schools may also encourage students to read extensively, carry out thematic explorations, etc. so as to enhance their ability to engage in self-directed learning and hence achieve the goal of continuous learning at home.

All along, the EDB has been, through professional development programmes and on-site support services, deepening teachers' e-learning capabilities and their competence in using e-learning tools and resources. During the period of class suspension, the EDB has created a dedicated webpage to share the skills of using e-learning platforms, the flipped classroom approach and real-time online teaching, etc. In addition, we also offer advice and support to teachers in need continuously through hotline services, mobile communication applications, webinars and online self-learning courses, etc. The Hong Kong Education City has also launched a dedicated webpage to consolidate some learning and teaching resources for the use of schools, teachers, students and parents.

Our reply to the Hon Elizabeth Quat's question is as follows:

(1) Through the Community Care Fund, the EDB has been implementing a three-year assistance programme, providing a subsidy to needy primary and secondary students from public schools adopting the "Bring Your Own Device" (BYOD) policy to purchase mobile computer devices since the 2018/19 school year. In view of the fact that many schools have attempted to continue teaching via electronic platforms amid the COVID-19 outbreak, the EDB has exercised flexibility in handling the applications submitted by all schools implementing e-learning during the period of class suspension for their needy students, irrespective of whether they have implemented BYOD or not. Apart from purchasing mobile computer devices, the subsidy can also be used to cover the cost of some basic accessories, such as screen shield, protective cover, detachable keyboard, stylus pen and mouse. Schools may also use the subsidy to purchase other necessary accessories for their students depending on their learning needs. For students receiving Comprehensive Social Security Assistance or full grant under the School Textbook Assistance Scheme (STAS), a subsidy is provided to cover the full cost of the device and items mentioned above. For students receiving half grant under the STAS, the subsidy provided is half of the actual cost of the items. The maximum level of subsidy received by each benefited student will be adjusted annually according to the movement of the Composite Consumer Price Index. The maximum amount of full subsidy in the 2018/19 school year is \$4,500. According to the reports submitted by participating schools, the actual amount of subsidy required by each student receiving full subsidy is on average \$3,984.

In addition, the Government has been disbursing a subsidy for Internet access charges to eligible families through the Student Finance Office of the Working Family and Student Financial Assistance Agency and the Social Welfare Department, providing support for students from grass-roots families to subscribe to basic Internet plans provided by operators of fixed or mobile telecommunications services. The rate of the subsidy is adjusted regularly with reference to prevailing market fees of Internet access services.

(2), (3) and (4) As mentioned in the preamble, there are diversified modes that support students' home learning. Considering that students' needs vary with key stages and schools have different circumstances, the EDB has not prescribed a single mode for all schools across the board. Instead, schools may select from a variety of teaching strategies the suitable modes for their students, including e-learning, to support students' home learning. Teachers should exercise professional judgement to adopt teaching strategies, learning and teaching resources, as well as learning activities appropriate to the needs of their students in order to cater for learner diversity. In addition, e-learning should focus on the flexible use of various electronic media (including digital resources and communication tools) to enhance the effectiveness of learning and teaching as well as the qualities of students (such as self-directed learning abilities) in accordance with teaching goals and the needs of students. The making of teaching videos or conducting of real-time online teaching is only one of the many e-learning strategies, each of which has its own purposes and characteristics. For instance, teachers can produce video clips and students can complete the online exercises after viewing the clips of their own accord. Teachers can then track students' learning progress through the relevant records and provide them with learning support accordingly. Teachers who deliver real-time online lessons can have instant interaction with student groups and provide them with instant guidance and feedback. To enhance the effectiveness of learning and teaching, it is imperative that teachers should master the advantages of different electronic media and integrate them in learning and teaching as appropriate.

The actual implementation of the relevant strategies has to be well-planned with thorough consideration of and full co-ordination on issues such as the learning needs of students at different ages and with special needs, students' power of concentration, impact on eye health caused by prolonged use of electronic screens, students' socio-economic backgrounds, hardware and Internet connection speed at home, and the necessary training for teachers. Schools should also provide technical support to students and parents and answer their enquiries. In formulating study plans, schools should adopt modes of learning which teachers and students have confidence in and are easy to master; and premise on the principle of not exerting undue pressure on students and parents. Schools should also maintain close communication with parents and assess from time to time whether their school-based plans are being taken forward as expected and make necessary modification or adjustment. Hence, they must carefully assess whether those online learning modes, which teachers, students and parents are unfamiliar with, could suit their circumstances and achieve learning effectiveness. During the class suspension period, schools still keep their premises open and have staff on duty to support students who have to return to schools because of individual

needs and answer parents' enquiries. Students and parents with doubts or difficulties may take the initiative to seek appropriate assistance from the schools.

On the other hand, close communication between schools and parents is needed to address issues such as the impact of full implementation of e-learning inside and outside classroom on students' health and parents' awareness of the pros and cons involved including the possibility of Internet addiction. Therefore, the EDB has been providing teachers with professional development programmes and information kits on e-learning and e-safety, so as to assist schools in undertaking relevant parent education. Besides providing seminars for parents, a telephone hotline has been set up to provide individual support for parents, teachers and students in need. Links to the resources on e-safety produced by other government departments and non-governmental organisations are also available on our website ([www.edb.gov.hk/il/eng](http://www.edb.gov.hk/il/eng)) for access by parents and students.

During the period of class suspension, the EDB has set up a dedicated webpage with dozens of videos uploaded, elucidating the skills of using e-learning platforms, flipped classroom approach and real-time online teaching for teacher's reference to better equip them with the relevant teaching strategies. In addition, we have been organising webinars on different topics every week since late January 2020 to share updated information and experience on implementing online teaching. As at April 2020, dozens of webinars have been organised. In addition to explaining the principles of adopting e-learning to support students' home learning in letters and through "Insider's Perspective" and "Clear the Air" articles, we have also uploaded the relevant information to the EDB's website for schools' reference.

The EDB has maintained communication with schools through various channels to better understand the situation and the problems encountered by schools in the implementation of "suspending classes without suspending learning" during the period of class suspension, so as to provide appropriate support according to their needs. As far as we know, during the period of class suspension, schools generally undertake e-learning by different means, which include producing teaching videos, conducting real-time online teaching, using e-learning platforms/learning management systems to arrange teaching activities, as well as distributing learning and teaching materials to students via emails/intranets. Furthermore, in view of the situation of some students (including those lacking computer access or encountering technical difficulties in online learning), schools have also assisted them in keeping up their learning progress by other effective means (such as sending the learning and teaching materials to students by post). Teachers also make phone calls to students from time to time to understand their learning progress and provide them with necessary support. We also note that schools, building on their past experience, are further promoting diversified learning modes (including e-learning) to support students in their home learning. These experience can serve as reference for future development. In anticipation of future needs, the EDB will review the class suspension arrangements made in response to the recent epidemic and identify areas for

improvement. Moreover, schools are encouraged to make good use of various assessment materials to track the learning progress of students during the period of class suspension, so that proper follow-up can be taken upon class resumption.

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## LCQ6: Quarantine requirement for persons arriving at Hong Kong from the Mainland

Following is a question by the Hon Chan Chi-chuen and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (May 13):

Question:

The Coronavirus Disease 2019 (COVID-19) epidemic is still rampant across the globe at present. On the 28th of last month, the Government announced its plan to relax the requirement of the 14-day compulsory quarantine for persons arriving at Hong Kong from the Mainland on the grounds that the epidemic on the Mainland has been brought under control. However, quite a number of members of the public suspect whether the Mainland authorities have disseminated comprehensive data on the epidemic. As such, they query that it is premature for the Government to relax the relevant requirement. In this connection, will the Government inform this Council:

(1) whether it has grasped (i) the number of asymptomatic infection cases of COVID-19 in the statistics compiled and (ii) the number of tests for COVID-19 conducted, by the Mainland authorities from January 1 to April 15 this year; if so, of the details; if not, the reasons for that, and whether it will review the aforesaid plan to relax the quarantine requirement; and

(2) whether it will consider sending experts to the Mainland again to gain an understanding of the situation of the epidemic there, including the numbers of confirmed cases, asymptomatic infection cases, suspected infection cases and tests for COVID-19 conducted; if so, of the details; if not, the reasons for that?

Reply:

President,

My consolidated reply to the various parts of the question raised by the Hon Chan Chi-chuen is as follows:

The Food and Health Bureau (FHB), the then-Ministry of Health of the Central People's Government and the Secretariat for Social Affairs and Culture (SSAC) of the Government of the Macao Special Administrative Region signed the Co-operation Agreement on Response Mechanism for Public Health Emergencies (the Agreement) in 2005. The Agreement was updated with the National Health Commission (NHC) and SSAC in 2018. The Centre for Health Protection (CHP) of the Department of Health has maintained close liaison with the NHC according to the mechanism under the Agreement to notify one another of surveillance data on infectious diseases, emergency public health incidents and responses to major infectious diseases, etc., with a view to strengthening joint efforts in disease prevention and control.

With regards to the outbreak of coronavirus disease-2019 (COVID-19), the CHP received notifications from the NHC respectively on December 31, 2019 and January 3 and 5, 2020 that a number of viral pneumonia cases with unknown cause had been identified through disease surveillance by health authorities in Wuhan since December 2019. Also, in mid-January 2020, at the invitation of the NHC and the Hong Kong and Macao Affairs Office of the State Council, the FHB sent a delegation to Wuhan to learn more about the outbreak. The NHC has been notifying the CHP of the latest information on the outbreak in a timely manner since December 31, 2019 according to the mechanism under the Agreement.

The Mainland has been reporting the number of asymptomatic infected cases detected through enhanced surveillance since March 31, 2020. As at May 10, the Mainland had reported 1 747 asymptomatic infected cases, with an average of 43 cases per day. Among them, 356 cases (20 per cent) were imported cases, 261 cases subsequently displayed symptoms. Guangdong Province reported 279 asymptomatic infected cases during the abovementioned period, with an average of 6.8 cases per day. Among them, 105 cases (38 per cent) were imported cases.

All along, we have been paying heed to science and expert advice and adopting a "suppress and lift" strategy to put in place necessary prevention and control measures after careful consideration of factors such as public health, the economic situation and acceptance level of the general public, etc. The Government conducts detailed risk assessments prior to implementing border control and compulsory quarantine measures in response to the disease outbreak in other countries or regions, and will review and consider rationalising the relevant measures in view of the development of the outbreak. We will continue to maintain close liaison and co-operation with the health authorities in the Mainland and other countries and regions as well as relevant international organisations on handling and controlling the outbreak together, in order to safeguard the health of the Hong Kong people and the robustness of Hong Kong's healthcare system.

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## LCQ11: Cancellation of dividend payments already announced

Following is a question by the Hon Holden Chow and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (May 13):

Question:

On February 18 this year, the Board of HSBC Holdings plc (HSBC) announced that its fourth interim dividend in respect of 2019 would be paid on April 14 this year and the ex-dividend date would be February 27. On March 31, HSBC announced that in response to the request of the regulatory authority in the United Kingdom, it had decided to cancel the said dividend payment which had been announced. It also decided that it would not make any quarterly or interim dividend payments until the end of this year. Some minority shareholders of HSBC are of the view that HSBC's cancellation of the dividend payment already announced is unethical and has undermined investors' confidence in the stock market. In this connection, will the Government inform this Council:

(1) whether it knows if there were incidents in the past, apart from the aforesaid case, in which listed companies announced dividend payments and then cancelled them; if there were, of the details, and whether such practice violated the relevant requirements; and

(2) given that the dividends paid by HSBC have been a major source of income for quite a number of Hong Kong residents (especially for retirees), whether the authorities (i) will urge HSBC to have regard to the economic situation and the interest of minority shareholders in Hong Kong and reconsider its decision of not making dividend payments, and (ii) have assessed the impacts of the cancellation of dividend payments by HSBC on the economic situation in Hong Kong and investors' confidence in the stock market; if they have assessed, of the outcome; if not, whether they will make such an assessment?

Reply:

President,

(1) The Government and regulatory authorities (including the Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC)) are aware that some companies, including HSBC Holdings plc (HSBC), have decided to cancel dividend payment recently pursuant to the request of their home regulator. According to HSBC's announcement, the relevant decision was made by its Board having regard to the written notice and request issued by the Bank of England through its Prudential Regulation Authority.

Dividend policy and arrangements of listed companies are commercial

decisions of the respective companies' Board having regard to a range of considerations. Indeed, there were precedents in which listed companies made the decision of dividend cancellation in the past (for example, CT Environmental Group Limited withdrew the payment of 2018 Interim Dividend in 2019). However, the individual circumstances of each company differ and the cases are therefore not comparable. Generally speaking, the dividend arrangements of listed companies should comply with the requirements as stipulated in the company law of their respective jurisdiction of incorporation as well as their articles of association. The Securities and Futures Ordinance and the Listing Rules require listed companies to announce the information about dividend payment and any changes relevant to dividend arrangements in a timely manner in order to uphold the transparency of market information. Whether the cancellation of dividend violates the relevant requirements would depend on individual circumstances and cannot be generalised.

(2) We understand and appreciate that HSBC's decision would have certain impact on shareholders and some of them would feel disappointed and dissatisfied. Banks incorporated in the United Kingdom (including HSBC) are regulated by the Prudential Regulation Authority under the Bank of England and they are required to comply with its relevant requests. It is understood that due to the uncertainties arising from COVID-19, the Prudential Regulation Authority has requested seven large-scale banks, including HSBC, to suspend the payment of dividends in order to strengthen the capital position of the banking system. Similar actions were also taken by the regulatory authorities in Europe. In Hong Kong, the HKMA has requested the Hong Kong branch of HSBC to reflect the concerns expressed by its shareholders in Hong Kong to HSBC. The HKMA has also informed the Prudential Regulation Authority about the concerns expressed by HSBC shareholders in Hong Kong through HKMA's regular regulatory communications with the Prudential Regulation Authority. In addition, the SFC will perform its statutory regulatory functions in accordance with the Securities and Futures Ordinance and take necessary action if any non-compliance with our regulatory requirements is detected or to make any public comment or announcement.

Since the shareholders of listed companies such as HSBC generally come from different jurisdictions and may opt for different dividend options (such as receiving cash dividend or scrip dividend), it is difficult to assess the impact of HSBC's dividend cancellation on the economic situation and investors' confidence in Hong Kong. But on the whole, we believe that the dividend policy and arrangements of individual listed companies would not affect the overall competitiveness of Hong Kong's securities market.

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## **LCQ10: Regulation of money lenders**

Following is a question by the Hon Cheung Kwok-kwan and a written reply



by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (May 13):

Question:

Section 24 of the Money Lenders Ordinance (Cap. 163) provides that any person who lends money at an effective rate of interest which exceeds 60 per cent per annum commits an offence, and section 25 provides that a transaction where the effective rate of interest exceeds 48 per cent per annum is presumed *prima facie* to be extortionate. Regarding the regulation of money lenders, will the Government inform this Council:

- (1) of the historical background of and justifications for setting the ceilings for the two aforesaid per annum rates of interest on loans at the relevant levels;
- (2) whether it will study the lowering of the statutory ceiling for the per annum rate of interest on loans at 60 per cent;
- (3) given that the ways in which the rate of interest on loans is shown on promotional materials by money lenders are multifarious at present (e.g. annualised percentage rate (APR), monthly flat rate, best lending rate), and the relevant range of APRs varies from 4.49 per cent to 59.26 per cent, making it difficult for consumers to make comparisons between the rates of interest of different loan products, whether the Government has plans to require money lenders to use APRs across the board in indicating the rate of interest on loans;
- (4) given that under the existing regulatory regime, the Money Lenders Unit, the Licensing Court and the Police respectively regulate money lenders according to the relevant provisions in Cap. 163, whether the Government has assessed if the aforesaid practice is desirable; if it has assessed and the outcome is in the negative, whether it has plans to entrust the work relating to the regulation of money lenders to a single agency; and
- (5) given that Cap. 163, which was enacted in as early as 1980, has been in operation for four decades, whether the Government has plans to make amendments to the Ordinance to step up the regulation of the business of money lenders (particularly the emerging mobile phone and online means of lending) and enhance the protection for consumers; if so, of the details; if not, whether it will consider doing so?

Reply:

President,

Our reply to the Hon Cheung's question is as follows:

- (1) and (2) Licensed money lenders provide an alternative source of finance outside the banking sector for individuals and enterprises with financial needs. Money Lenders Ordinance (Cap. 163) (MLO) was enacted in 1980 to, amongst others, provide for the control and regulation of money lenders and

money-lending transactions, and to provide protection and relief against excessive interest rates and extortionate stipulations in respect of loans. The two ceilings for the annual interest rate on loans laid down in the MLO combat money lending activities of usury, and also provide those in need a lawful channel to borrow money and appropriate protection. We will continue to monitor the implementation of the MLO, including provisions related to ceilings for the annual interest rate, and review and enhance the regulatory regime as and when necessary.

(3) According to section 26(2) of the MLO, money lending advertisements shall show the interest proposed to be charged as a rate per cent per annum. Section 2 of the MLO also clearly states that interest includes any amount (by whatever name called) in excess of the principal, which amount has been or is to be paid or payable in consideration of or otherwise in respect of a loan. Subject to the requirements of these provisions, we are exploring measures to increase the transparency of loan interest rates so as to facilitate consumers in comparing different loan products in the market.

(4) and (5) We have been mindful of the public's concern over the money lending sector, and have been reviewing and enhancing the regulation of licensed money lenders as appropriate. This includes the launching of various measures to address the concerns about the sector in 2016, including enhanced enforcement by the Police, imposition of more stringent licensing conditions on money lenders under the MLO, enhanced public education and publicity, as well as enhanced advisory services to the public. Moreover, in view of the concerns about anti-money laundering and referees' consent, we have imposed two additional licensing conditions since 2018. Under these conditions, a licensed money lender is required to comply with specific anti-money laundering and counter-terrorist financing requirements. A licensed money lender is also required, if a referee is involved in a loan application, to obtain such referee's written consent confirming his/her agreement to act as a referee in respect of the loan application.

Currently, the Licensing Court, the Police and the Money Lenders Unit (MLU) of the Companies Registry have respective roles to play under the regulatory regime of money lenders. The Licensing Court is responsible for the determination of applications for and granting of money lender licences as well as the imposition of licensing conditions. The Police is responsible for enforcing the MLO, including examination of applications for money lender licences and renewal of licences, as well as investigating and taking enforcement actions towards complaints against money lenders. As for the MLU, it is responsible for processing applications for money lender licences, maintaining a register of money lenders for public inspection, as well as monitoring licensed money lenders' compliance with the MLO and the conditions imposed by the Licensing Court when carrying on their money lending business, including conducting site inspections.

In recent years, the Government has strengthened measures along the four-pronged approach, viz. imposition of more stringent licensing conditions, enhanced enforcement, public education and publicity, and advisory services to the public. The Government will continue to monitor the

situation of the money lending sector and the latest developments of the money lending business. If necessary, we will tighten the regulation of licensed money lenders and refine as appropriate the provisions and implementation of the MLO.

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## LCQ5: Local Mask Production Subsidy Scheme

Following is a question by the Hon Kenneth Lau and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (May 13):

Question:

With the coronavirus disease 2019 epidemic raging on in Hong Kong, surgical masks (masks) have all along been in short supply and their prices have surged. In view of this, the Government launched the Local Mask Production Subsidy Scheme (the Scheme) to provide subsidies for manufacturers to produce masks locally. The subsidy quota of 20 production lines has now been fully allocated. Under the Scheme, the first two million masks produced by each subsidised production line each month must be sold to the Government for a period of one year. If the monthly production exceeds two million, the manufacturers concerned may sell the surplus masks locally by themselves. However, it has been reported earlier on that a manufacturer which was granted subsidy has sold its masks on the market before signing any agreement with the Government and supplying masks to the Government. In this connection, will the Government inform this Council:

(1) whether it has signed an agreement with all of the manufacturers which were granted subsidies; if so, of the respective dates on which such agreements came into force; if not, the reasons for that; whether such agreements stipulate a partial or full refund of the subsidy by a subsidised manufacturer to the Government when the former has failed to supply the Government with the quantity of masks specified in the agreement;

(2) of the following information in respect of each subsidised production line: the (i) commencement date of production, (ii) date on which the masks were/will be first supplied to the Government, (iii) date on which the masks were/will be first sold on the market (if applicable), as well as (iv) the respective monthly quantities of masks for adults and those for children produced, supplied to the Government and sold on the market (if applicable) since the commencement of production;

(3) of the criteria or mechanism to be adopted by the Government for allocating the masks supplied to it under the Scheme, and whether it will

make public the distribution of such masks;

(4) whether it will impose a restriction on the prices at which the subsidised manufacturers sell those locally produced masks on the market, so as to ensure that members of the public can acquire masks at reasonable prices; and

(5) whether it will put in place a regulatory mechanism for the Scheme to ensure the proper use of public funds?

Reply:

President,

My consolidated reply to the various parts of the question raised by the Hon Kenneth Lau is as follows:

The Government launched the Local Mask Production Subsidy Scheme (the Scheme) under the Anti-epidemic Fund to facilitate local production of masks in order to stabilise supply and to build up stock. The Government announced on May 4 that it allocated all the quota of 20 production lines under the Scheme. It is estimated that, when all the production lines are in full production, every month they would collectively supply 33.85 million masks to the Government. Further details are tabulated at Annex.

Given the global shortage of masks, enterprises in many places have flocked to establish mask production facilities and have recently sent their mask samples to accredited laboratories outside Hong Kong for certification, resulting in a longer-than-normal lead time for certification. Taking this bona fide situation into consideration and in accordance with the application guide, the Government would allow approved applicants who are still waiting for such certification and are unable to begin supplying masks to the Government by the target commencement date to apply for an extension of up to one month. Any extension beyond one month without exceptional reasons and full justifications would result in revocation of the subsidy.

The Government has, through the Hong Kong Productivity Council (HKPC), provided all approved applicants with a copy of the funding agreement and have been signing the agreement with individual companies successively. Once the approved applicants secure the relevant certification and meet other relevant requirements, they would gradually begin to supply masks to the Government. As mentioned above, obtaining certification for masks is taking longer than usual recently, and this also impacts on the timing of supplying masks by approved applicants.

The masks procured by the Government under the Scheme are mainly for addressing the needs of the public sector, particularly those of frontline health care workers and other frontline staff. After the masks produced by a subsidised production line have obtained the relevant certification, the production line must supply two million masks to the Government each month before it could sell the excess to the local market. Under no circumstances

could the masks be exported. As the global supply of surgical masks continues to be tight in the near term, this restriction has the effect of increasing local mask supply and is more pragmatic than regulating the price of masks.

As the Chief Executive announced earlier, the Government will share the first batch of 30 million masks procured under the Scheme with the public. Depending on the certification and production progress of the subsidised production lines, the Government estimates that a pack of 10 masks would be distributed to each household starting around end June. Further details will be announced later.

To ensure proper use of public funds, the Government and the HKPC will regularly monitor the operations of the subsidised production lines during the one-year subsidy period. This includes ensuring that the production lines meet their targeted outputs and monitoring whether masks produced in excess of those supplied to the Government are distributed locally etc. The subsidy will be disbursed in phases which hinge on the progress of establishing the subsidised production line as well as its production output. Funds are disbursed only if the production line meets specified targets, such as obtaining certification for its masks, reaching a certain level of production output etc. The funding agreement also stipulates that, if a production line's actual output falls short of the committed output as stated in its application, the total subsidy amount would also be reduced proportionally. Where a production line ultimately fails to meet the Scheme's requirements, the Government may also recover from the concerned company any funds already disbursed.