

LCQ19: Special 100% Loan Guarantee

Following is a question by the Hon Adrian Ho and a written reply by the Secretary for Commerce and Economic Development, Mr Algernon Yau, in the Legislative Council today (May 21):

Question:

The Government launched the Special 100% Loan Guarantee (Special Loan) under the SME Financing Guarantee Scheme to assist small and medium enterprises in tiding over the difficulties. In this connection, will the Government inform this Council:

(1) of the criteria for classifying default cases under the Special Loan; the respective cumulative default rates of the 80% Guarantee Product, the 90% Guarantee Product and the Special 100% Guarantee Product under the Special Loan as at the end of last month;

(2) given that the representative of the Hong Kong Monetary Authority (HKMA) indicated at the meeting of the Panel on Financial Affairs of this Council on February 3 this year that the HKMA noted an upward trend in the latest default rate of the Special Loan, and that recovery actions had been taken against enterprises which had been in malicious default, of the specific work plan of the authorities to deal with cases which had been in default to minimise the occurrence of defaults; the success rate of the recovery actions concerned;

(3) regarding the cases involving failure to make repayments, of the estimates of the required provision coverage as confirmed by the authorities; as it is learnt that the HKMA has been, in conjunction with the banks, discussing with the borrowing enterprises to assist those borrowing enterprises which have become unable to make repayments in terms of their repayment arrangement, as well as to reach a debt restructuring arrangement in an endeavour to restore the loan quality of the relevant cases to a favourable level, whether it knows the number of successful cases; and

(4) as it is learnt that the HKMC Insurance Limited has taken appropriate actions in respect of cases which may involve illegal acts, including issuing clear guidelines to lending institutions participating in the Special Loan, taking legal actions through lending institutions and reporting to law enforcement agencies, of the number of cases which needed to be reported to law enforcement agencies as at the end of last month?

Reply:

President,

The Special 100% Guarantee Product of the SME Financing Guarantee Scheme (SFGS) was launched in 2020 and its application period ended in end-March

2024. The consolidated reply of the Government to the question is as follows:

Under the SFGS, a defaulted loan overdue for more than 90 days, with its default claim process commenced or completed, will be considered as a bad debt. As at end-April 2025, the cumulative default rates of the 80%, 90% and Special 100% Guarantee Products under the SFGS were about 5.2 per cent, 4.2 per cent and 15.6 per cent respectively, lower than the assumed overall default rates (12 per cent, 16 per cent and 25 per cent respectively).

The HKMC Insurance Limited (HKMCI) has been working closely with lending institutions on properly handling the default cases. In the event that a borrowing enterprise defaults on repayments, the lending institution will first discuss a feasible repayment plan with the borrowing enterprise, e.g. repaying only the interest or part of the principal during a transition period, so that the borrowing enterprise can continue its operation while making a debt restructuring arrangement as soon as possible, with a view to gradually resuming normal repayments. If the lending institution and the borrowing enterprise could not reach agreement on the repayment or the latter refuses to co-operate, the lending institution will consider taking appropriate recovery/legal actions in accordance with its policy and prevailing commercial practice, including requesting the enterprise and guarantor to repay the loan, filing a petition for winding-up and/or bankruptcy with the court, etc with a view to reducing the loss of the Government.

As at end-April 2025, lending institutions (including through their debt collection agencies) have been taking recovery actions against around 5 400 default cases of the Special 100% Guarantee Product, and have already taken or are taking legal actions against around 3 500 cases (including cases where the relevant creditors have applied for liquidation/bankruptcy against the borrowing enterprises due to the latter's default on debts other than the Special 100% Guarantee Product). The outstanding amounts have been recovered in full or in part from more than 30 per cent of the approximately 8 900 cases mentioned above upon taking relevant recovery actions.

The SFGS is administered and managed by the HKMCI. The Hong Kong Monetary Authority is not involved in the implementation of the SFGS. The Government needs to budget for the various expenses for implementing the SFGS every year, including payments of servicing fee in respect of the Special 100% Guarantee Product to the participating lending institutions, payments to the HKMCI to cover the administrative costs and the necessary out-of-pocket expenses as well as the default claim payments. In the 2024-25 financial year, the relevant revised estimates were \$12.5 billion. Nevertheless, the actual default rates of the SFGS are subject to change having regard to the overall economic environment and the operational situation of individual borrowing enterprises, etc. The Government and the HKMCI will continue to monitor the situation closely, and duly adjust the annual estimates for implementing the SFGS.

As at end-April 2025, 3 519 applications of the Special 100% Guarantee Product, involving around \$10.5 billion of loans, are suspected to have

involved illegal activities, including using false instruments, providing false information or declarations, etc. Among them, 1 512 cases (involving around \$5 billion of loans) were already rejected by the HKMCI and/or the lending institutions during application assessment, while the other 2 007 cases (involving around \$5.5 billion of loans) were found after loan drawdown. The HKMCI and/or the lending institutions have taken appropriate actions, including reporting the cases that may have involved illegal activities to law enforcement agencies (LEAs), and providing relevant information in accordance with the actions of the LEAs.

LCQ11: Public footbridges

â€œFollowing is a question by the Hon Doreen Kong and a written reply by the Secretary for Transport and Logistics, Ms Mable Chan, in the Legislative Council today (May 21):

Question:

Since the 1960s, with the growth of Hong Kong's population and economy, the Government has employed footbridges to grade separate vehicular and pedestrian traffic, so as to improve road safety and traffic flow capacity. In this connection, will the Government inform this Council:

(1) of the current number of public footbridges (footbridges) in Hong Kong and, among them, the number of those equipped with lifts; whether the authorities have plans to install lifts at footbridges not yet equipped with lifts to facilitate public use in the future;

(2) of the current criteria for the construction of footbridges; whether the authorities have established a regular monitoring mechanism to track the utilisation rate of footbridges (e.g. by installing monitoring and counting devices), and incorporated such usage data into the standards for future footbridge construction; if so, of the details; if not, the reasons for that; and

(3) as it is learnt that many experts and academics have conducted studies in recent years on the social impact of footbridges, such as the benefits of opening up public spaces on the Mong Kok Footbridge, and that Dubai's Dubai Walk Master Plan has reportedly incorporated various elements into walkway design to transform them into meeting places and spaces for social interaction, whether the authorities have now obtained relevant data and empirical evidence to further optimise the use of public spaces on footbridges; if so, how the authorities plan to enhance existing footbridges; if not, of the reasons for that?

Reply:

President,

â€œIn consultation with the Development Bureau, Highways Department (HyD) and Transport Department (TD), the consolidated reply to the question raised by the Hon Kong is as follows:

(1) At present, there are 731 footbridges maintained by the HyD, of which 280 are equipped with lifts. Among the remaining footbridges without lifts, about 70 per cent of them have already met the standards for barrier-free access (e.g. equipped with ramps, at-grade alternative crossings, or connected to buildings with barrier-free access), while about 15 per cent have been confirmed to be unsuitable for retrofitting barrier-free access facilities due to various factors (such as insufficient space).

The Government has all along been committed to retrofitting barrier-free access facilities at public walkways. Since the launch of the Universal Accessibility (UA) Programme in August 2012, the Government has been actively providing more barrier-free access facilities (i.e. lifts and ramps) at public walkways (i.e. public footbridges, elevated walkways and pedestrian subways) to facilitate access by the public. In order to benefit more members of the public, the scope of the UA Programme, initially covering only public walkways maintained by the HyD which were not equipped with any barrier-free access facilities, has been expanded to cover existing walkways that are equipped with standard ramps, provided that certain criteria are met. In 2019, the Government introduced a special scheme to retrofit lifts at footbridges, pedestrian subways, and elevated walkways in estates under the Tenants Purchase Scheme, Buy or Rent Option Scheme and public rental housing estates with properties divested under the Housing Authority, provided that certain criteria are met.

The HyD has been pressing ahead with the implementation of a total of 382 items under various phases of the UA Programme. As at end March 2025, 239 items under the UA Programme were completed, including retrofitting of lifts at 151 public footbridges maintained by the HyD. The HyD is pressing ahead with the remaining items of the UA Programme to ensure that they will be completed in phases as planned for the benefit and convenience of the public. In the next four years, the HyD will progressively complete the installation of lifts at 64 public footbridges. By then, the number of footbridges equipped with lifts will increase to 344.

(2) In considering the need for public footbridges, the TD will take into account, on a project-by-project basis, factors such as the anticipated pedestrian utilisation rate, the characteristics and layout of the road concerned (including traffic flow and speed), road safety and traffic capacity, the desired pedestrian path (in terms of convenience, comfort and safety, etc), the availability of other nearby crossings, the connectivity of the footbridge with the nearby developments and walkway systems as well as the relevant public views.

The TD closely monitors the utilisation of public footbridges, including deploying staff to conduct site surveys in a timely manner to collect data on pedestrian flow and reviewing the views provided by residents and

stakeholders in the vicinity as well as considering appropriate enhancement measures, such as suitably adjusting directional signs and providing barrier-free facilities in light of the site environment and traffic conditions as necessary, in order to attract the public to make good use of the footbridges. As the TD has already been effectively monitoring the utilisation of public footbridges, it has no plan to install statistical monitoring devices at existing footbridges.

(3) From the perspective of town planning and design, existing planning guidelines encourage the consideration of landscape design when planning the construction of footbridges. If there is sufficient space, the design of landscaped decks can be considered to be adopted for pedestrian links while landscaping, installation of seats and public art elements can be added to the links to enhance the experience of pedestrians.

The TD also welcomes the opportunity to collaborate with relevant departments/project proponents, including the adoption of the Pedestrian Planning Framework in the pedestrian planning for new development areas to formulate and implement suitable pedestrian facility measures, with a view to widening the walking space and providing a comprehensive pedestrian network. In formulating the framework, the TD has studied the local walkability and planning needs and took reference from economies outside Hong Kong, including those in the Mainland, Asia, Europe and North America. The newly developed Pedestrian Planning Framework has been in use since 2022 to assist in creating a pedestrian-friendly walking environment and promoting walking as a sustainable mode of mobility.

LCQ14: Promoting research and development of Hong Kong

Following is a question by the Hon Tang Fei and a written reply by the Secretary for Education, Dr Choi Yuk-lin, in the Legislative Council today (May 21):

Question:

According to a research publication released by the Legislative Council Secretariat last month, the number of research and development (R&D) personnel per million population in Hong Kong is significantly lower than that of neighbouring regions, and the proportion of local research postgraduates is continuously declining. There are views that research postgraduates also face multiple challenges in employment and the transformation of research outcomes. If such issues are not addressed in a timely manner, Hong Kong's future innovation development and economic restructuring will be affected. In this connection, will the Government

inform this Council:

(1) given that according to the aforesaid research publication, Hong Kong currently has only 4 809 researchers per million population, lagging far behind Singapore and South Korea, whether the Government has drawn up specific measures to attract and nurture local R&D talent, particularly in STEM fields; if so, of the details; if not, the reasons for that; whether it has set specific targets and timelines to increase the number of local R&D personnel in the next three years;

(2) given that according to the aforesaid research publication, in the 2022-2023 academic year, only 63 per cent of research postgraduates from universities funded by the University Grants Committee secured full-time employment within six months after graduation, and only 11.6 per cent of graduates could manage to find jobs directly related to their studies, whether the Government has tailor-made support measures to address the employment challenges faced by research postgraduates, so as to help them maximise their potential and meet the needs of the local R&D industry; if so, of the details; if not, the reasons for that; and

(3) as there are views pointing out that while Hong Kong's R&D outcomes reach international standards, they fall short in terms commercialisation and industrialisation, whether the Government will strengthen efforts to promote industry-academia-research collaboration to enhance the industrialisation of R&D outcomes and foster the development of an innovative economy; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government has all along been dedicated to promoting the development of innovation and technology (I&T), with a view to driving economic restructuring and more diversified development. Apart from the nation's clear support for Hong Kong's development into an international I&T hub under the 14th Five-Year Plan, the recently promulgated 2024-2035 master plan on building China into a leading country in education also proposed to establish an integrated co-ordinating mechanism for education, technology and talent, strengthening the supportive role of education for science and talent, closely tying in with the development of technological innovative centres in the Guangdong-Hong Kong-Macao Greater Bay Area and the development of a highland for high-level calibre and platform for attracting talent, and enhancing the overall efficacy of the innovation system.

The replies from the Education Bureau and the Innovation, Technology and Industry Bureau to the Hon Tang Fei's question are as follows:

(1) and (2) The Government has been expanding the local research and I&T talent pool through a multi-pronged approach. On the front of nurturing talent, the Government guides the University Grants Committee (UGC)-funded universities to align their planning with the nation's strategy of

invigorating China through science and education, and support the goal of developing Hong Kong into an international I&T hub, including setting the key performance indicators in the 2022 Policy Address with 35 per cent of the students pursuing UGC-funded programmes to study in STEAM (science, technology, engineering, arts and mathematics) subjects. In addition, publicly-funded research postgraduate (RPg) places have been gradually increased from 5 595 in the 2022/23 academic year to 7 200 places in the 2024/25 academic year. Together with the gradual uplift of the over-enrolment ceiling from 70 per cent in the 2021/22 academic year to 100 per cent, institutions could flexibly enrol 14 400 RPg students at most, which is an increase of more than half, to constantly expand the I&T and research talents of Hong Kong.

Additionally, the STEM Internship Scheme under the Innovation and Technology Commission (ITC) subsidises undergraduates and postgraduates taking full-time STEM-related programmes to enrol in short-term internships, so as to foster their interest early in pursuing careers in I&T after graduation. The Research Talent Hub under the ITC also provides funding support for eligible companies or organisations to engage university graduates to conduct research and development (R&D) work.

For attracting talent front, the InnoHK Research Clusters has successfully attracted R&D talents from all over the world to Hong Kong, with over 2 500 local, overseas and Mainland researchers involved, and has provided training for over 1 200 PhD students. The ITC will launch the Frontier Technology Research Support Scheme, with a view to attracting international top-notch talents to conduct basic research in frontier technologies in Hong Kong and nurture local researchers.

According to the report "Hong Kong Innovation Activities Statistics 2023" released by the Census and Statistics Department in December 2024, the number of R&D personnel has reached 43 403 in 2023, which has increased steadily over the years.

(3) With an aim to enhance the I&T ecosystem and Hong Kong's competitiveness on the I&T front, the Government has been promoting collaboration among the industry, academic and research sectors through various measures, and adopting a multi-pronged approach to support commercialisation of R&D outcomes of local universities. For example, the \$10 billion Research, Academic and Industry Sectors One-plus Scheme under the Innovation and Technology Fund (ITF) funds, on a matching basis, research teams from universities with good potential to become successful start-ups to transform and commercialise their R&D outcomes, while industry sponsorship is a mandatory requirement. Furthermore, the ITF will continue to provide annual funding to the Technology Transfer Office of each of the eight UGC-funded universities, thereby supporting the development of innovative ideas and R&D outcomes into new products or services. The R&D centres set up by the Government have also been taking forward industry-driven applied R&D work that suits market needs and transferring technologies to the industries through contract researches, licensing arrangements, etc to commercialise their R&D outcomes. Meanwhile, the Government facilitated the establishment

of the Hong Kong New Industrialisation Development Alliance. Pooling together talent and resources from various fields, the Alliance aims to serve as a platform for collaboration among the Government, industry, academia, research and investment sectors. With a view to promoting co-operation among enterprises and organisations, we believe that the Alliance will also be conducive to the promotion of transformation and commercialisation of R&D outcomes.

LCQ13: Measures for elderly residents to retire in the Mainland

Following is a question by Dr the Hon Dennis Lam and a written reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (May 21):

Question:

It is learnt that moving north for retirement has become a growing trend in recent years, and the Government has been proactively promoting cross-border elderly care measures to facilitate retirement of Hong Kong elderly residents in cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). In this connection, will the Government inform this Council:

(1) of the respective latest numbers of participants in the Residential Care Services Scheme in Guangdong and the Pilot Scheme for Elderly Comprehensive Social Security Assistance Recipients to Reside in Residential Care Homes in Guangdong;

(2) of the respective numbers of Hong Kong elderly residents currently living in GBA Mainland cities who are receiving (i) Comprehensive Social Security Assistance, (ii) Old Age Allowance, and (iii) Old Age Living Allowance;

(3) whether it has considered establishing an integrated cross-border elderly care information platform to facilitate elderly residents who wish to retire in GBA Mainland cities and their families in accessing more comprehensive and up-to-date policy information and service guidelines; if so, of the details; if not, the reasons for that; and

(4) whether it has conducted any survey on the needs of Hong Kong middle-class elderly residents seeking to retire in the Mainland (including healthcare and everyday needs), and explored how to provide such elderly residents with high-quality elderly care services (such as smart elderly care); if so, of the details; if not, the reasons for that?

Reply:

President,

The Government continues to implement a number of measures, including providing subsidised residential care services and portable cash assistance, to facilitate Hong Kong elderly people's retirement in the Greater Bay Area (GBA) Mainland municipalities and offer more choices for them. I reply to the question raised by Dr the Hon Dennis Lam as follows:

(1) As at end-April 2025, there were around 460 elderly persons joining the Residential Care Services Scheme in Guangdong (GDRCS Scheme) and staying in the 15 designated residential care homes for the elderly (RCHEs) in the GBA Mainland cities.

The three-year Pilot Scheme for Elderly Recipients of Comprehensive Social Security Assistance (CSSA) to Reside in Residential Care Homes in Guangdong (Pilot Scheme) will be launched in the second half of 2025 to subsidise elderly CSSA recipients who opt to retire in Guangdong and reside in designated RCHEs in the province, so as to improve their living environment and quality of life. Each eligible elderly person will receive a monthly subsidy of HK\$5,000 with a quota of 1 000.

(2) As at end-April 2025, the numbers of elderly persons living in GBA Mainland cities and receiving Portable Comprehensive Social Security Assistance (PCSSA), Old Age Allowance (OAA) or Old Age Living Allowance (OALA) are set out in the table below:

GBA Mainland cities	PCSSA	OAA	OALA	Sub-total
Guangzhou	62	1 720	2 353	4 135
Shenzhen	141	2 652	5 693	8 486
Zhuhai	9	430	639	1 078
Foshan	53	605	1 330	1 988
Huizhou	60	399	1 180	1 639
Dongguan	61	980	2 268	3 309
Zhongshan	18	868	1 412	2 298
Jiangmen	23	328	922	1 273
Zhaoqing	12	105	228	345
Total	439	8 087	16 025	24 551

(3) Apart from promoting the GDRCS Scheme to the general public through various means (e.g. District Elderly Community Centres/Neighbourhood Elderly Centres, radio and TV promotion clips), information on the GDRCS Scheme and the portable cash assistance is available on the Social Welfare Department's (SWD) website. The SWD updates relevant information in a timely manner and will consider optimising the website to facilitate access to relevant information by the public. Besides, the application procedures of the OAA and the OALA under the Guangdong Scheme are available on the "Cross-boundary

Public Services" website. The SWD will consider including the information on the GDRCS Scheme in the relevant website.

(4) As the various needs of Hong Kong's middle-class elderly people living on the Mainland are not under the policy purview of the Labour and Welfare Bureau, we have not conducted any relevant surveys. Upon our enquiry, other bureaux or departments (e.g. the Constitutional and Mainland Affairs Bureau, the Commerce and Economic Development Bureau and the Census and Statistics Department) have advised that they have not conducted such surveys either.

LCQ10: Joint University Programmes Admissions System

Following is a question by the Hon Gary Zhang and a written reply by the Secretary for Education, Dr Choi Yuk-lin, in the Legislative Council today (May 21):

Question:

It is learnt that applicants who wish to apply for admission to the programmes under the Joint University Programmes Admissions System (JUPAS) should submit their applications by the deadline in December of the year preceding the intended school year of admission. Applicants who have missed the deadline may typically submit late applications from December of the same year to May of the following year. In this connection, will the Government inform this Council whether it knows the number of applications processed under JUPAS in each of the past five years and this year to date, and the number of late applications among them (with a tabulated breakdown by the type of documents held by the applicants (i.e. LS1 to LS9))?

Reply:

President,

The Joint University Programmes Admission System (JUPAS) is the main application route to assist local students with Hong Kong Diploma of Secondary Education Examination results (past and/or current) in applying for admission to post-secondary programmes. These programmes include the University Grants Committee (UGC)-funded full-time bachelor's degree programmes, Hong Kong Metropolitan University's self-financing full-time bachelor's degree programmes, and the Education University of Hong Kong's UGC-funded full-time higher diploma programme.

After consultation with the JUPAS Office, our reply to the Hon Gary Zhang's question is as follows –

The JUPAS Office has published historical application statistics, including the total number of applicants, on the JUPAS statistics webpage. Over the past five JUPAS admissions exercises (2020-2024), the numbers of applicants (as at the Day of Announcement of Main Round Offer Results) were 41 664, 40 658, 39 523, 39 948 and 39 634 respectively. Details are on the relevant website at www.jupas.edu.hk/en/statistics/main-round-offer.

In the aforementioned admissions exercises, late applications on average accounted for about 2 per cent of the overall applications, which has maintained at a relatively stable level. The majority of these late applications were from the LSI category (i.e. Hong Kong Permanent Identity Card holders), representing an average of about 96 per cent of the late applications. The percentage also remained consistently stable. There were only few late applicants in other categories.