

# LCQ10: Transport facilities in New Territories North

Following is a question by Dr the Hon Lo Wai-kwok and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 9):

Question:

The development projects being taken forward in New Territories North (NTN) and North East New Territories can accommodate a population of more than 800 000 upon completion. Some residents of NTN have pointed out that currently they mainly rely on the Tolo Highway and the MTR East Rail Line to travel to and from the urban areas. As such transport facilities have reached their maximum capacity during peak hours, they can hardly cope with the additional transport demand arising from these development projects. In this connection, will the Government inform this Council:

(1) of the respective (i) average vehicular flow (vehicle/hour) and (ii) average vehicular speed (kilometre/hour) of the Tolo Highway and the Fanling Highway (southbound and northbound) during peak hours in each of the past three years;

(2) as the Government indicated in January this year that it had commenced the strategic studies beyond 2030 in respect of railways and trunk roads, which included exploring proposals to construct a new north-south railway and improve the north-south road network, of the progress of the studies concerned (including the preliminary proposed railway alignment); and

(3) as the Government has indicated that if the proposed Northern Link spur line is re-routed to the Lok Ma Chau Loop and connects with the redeveloped Huanggang Port, it will help strengthen the cross-boundary transport links and those between the Loop and the urban areas, and the Government has thus requested the MTR Corporation Limited to study the feasibility and benefits of this option, of the timetable for the relevant work?

Reply:

President,

Our reply to various parts of Dr the Hon Lo Wai-kwok's question is as follows:

(1) The average vehicular flows of Fanling Highway and Tolo Highway at peak hours in 2018 and 2019 (Note 1) are listed in Table 1.

Table 1

Road	Direction	Average vehicular flow per hour at peak hours (Note 2)			
		2018		2019	
		AM	PM	AM	PM
Fanling Highway	Southbound	2 210	2 650	2 310	2 430
	Northbound	2 280	2 080	2 090	2 250
Tolo Highway	Southbound	6 870	5 580	6 840	5 240
	Northbound	4 850	5 790	5 140	6 140

The average vehicular speeds of Fanling Highway and Tolo Highway at peak hours from 2018 to 2020 are listed in Table 2.

Table 2

Road	Direction	Average speed at peak hours (Note 2) (km/hr)					
		2018		2019		2020	
		AM	PM	AM	PM	AM	PM
Fanling Highway (Note 3)	Southbound	68	—	74	—	80	—
	Northbound	70	—	76	—	82	—
Tolo Highway	Southbound	47	68	28	71	49	76
	Northbound	61	55	72	72	75	74

Note 1: Traffic volume statistics in Annual Traffic Census are currently available up to 2019. The Transport Department (TD) does not have relevant figures of 2020.

Note 2: The relevant data were collected from different surveys. Peak hours generally refer to the periods from 7am to 10am and from 4pm to 7pm on weekdays. The figures in Table 1 indicated the traffic situation during the above mentioned periods, whereas the vehicular speeds in Table 2 were collected during the busiest periods of the peak hours (i.e. from 8am to 9.30am and from 5pm to 7pm).

Note 3: TD does not have the average vehicular speed data of Fanling Highway during the evening peak hours.

(2) The Highways Department and TD commenced the "Strategic Studies on Railways and Major Roads beyond 2030" in December 2020. Based on the final development strategy of the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" planning study which will soon be published by the Development Bureau, the Studies will explore the layout of railway and major road infrastructure, including the connection between new development areas in New Territories North and the urban area, and conduct preliminary engineering and technical assessments for their alignments and supporting

facilities, so as to ensure that the planning of large-scale transport infrastructure will complement or even reserve capacity to meet the overall long-term development needs of Hong Kong. The Studies will also examine the impact of the proposed transport infrastructure on the existing transport network in order to formulate the corresponding strategies.

It will take around 38 months and 27 months respectively to complete the railways part and major roads part of the Studies. We will consult the Legislative Council at an appropriate time when preliminary findings of the Studies are available.

(3) According to the recommendation of the Railway Development Strategy 2014, in addition to the main line connecting the Kam Sheung Road Station to the Kwu Tung Station of the proposed Northern Link (NOL), subject to the growth in cross-boundary transport demand, a bifurcation could be added to connect the Kam Sheung Road Station to the existing Lok Ma Chau Station direct.

Based on Shenzhen's redevelopment plan of the Huanggang Port, the redeveloped Huanggang Port will become a transport hub complex. If the NOL bifurcation is realigned to connect to the redeveloped Huanggang Port through the Lok Ma Chau Loop, it will help strengthen the cross-boundary transport link as well as the connection between the Lok Ma Chau Loop and the urban area. It will also provide another option for citizens and tourists travelling within Guangdong-Hong Kong-Macao Greater Bay Area. We notice that the Shenzhen authority has stated that space will be reserved in the redeveloped Huanggang Port to enable connection of the NOL bifurcation. This will provide flexibility in the planning of the NOL bifurcation.

Considering that the optimisation of the Huanggang Port may drive cross-boundary transport demand, we have requested the MTR Corporation Limited to investigate the feasibility and benefits of constructing the NOL bifurcation, so that the Government can consider the way forward of the project in due course.

Railway projects involve huge capital investment, and the Government has to plan in a prudent manner. We will review the need for constructing the NOL bifurcation and its technical and financial feasibility, and will make adjustment to the railway implementation timetable in accordance with the detailed studies, latest demand assessment and availability of resources.

Thank you, President.

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**[CE expresses sorrow over passing of Dr](#)**

# Philip Wong

The Chief Executive, Mrs Carrie Lam, today (June 9) expressed deep sorrow over the passing of Dr Philip Wong.

"Dr Wong had actively taken part in public and community service for a long period of time. In his various public service roles, he served as an effective communication link between the Chinese General Chamber of Commerce, Hong Kong and the Government with distinguished performance. He was a member of the former Legislative Council (LegCo), the Provisional LegCo and the LegCo of the Hong Kong Special Administrative Region (HKSAR), witnessing the return of Hong Kong to the motherland. He also served as a Hong Kong deputy to the National People's Congress to participate in national affairs, contributing to the development of the country. He was awarded the Gold Bauhinia Star in 2003.

"I am saddened by the passing of Dr Wong. On behalf of the HKSAR Government, I would like to extend my deepest condolences to his family," Mrs Lam said.

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## LCQ1: Regulation of credit reference agencies

Following is a question by the Hon Chan Chun-ying and a reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (June 9):

Question:

Regarding the regulation of credit reference agencies (CRAs), will the Government inform this Council:

(1) as the authorities in Singapore will require credit providers (e.g. banks) to submit credit data to CRAs once a week, while the relevant time limit in Hong Kong is 31 days, whether the Government will consider shortening such time limit so that credit reports will reflect the up-to-date credit risks; if so, of the details; if not, the reasons for that;

(2) whether it will, by drawing reference from the relevant practices in Singapore and the United Kingdom (UK), enact legislation to require that CRAs' operation must be recognised or authorised by the financial regulator; if so, of the details; if not, the reasons for that; and

(3) given that at present, the Office of the Privacy Commissioner for

Personal Data (PCPD) may only issue enforcement notices to the data users who have contravened the Personal Data (Privacy) Ordinance, whether the Government will, by drawing reference from the relevant practices in Singapore and the UK, empower the PCPD to impose fines on the data users (including CRAs) who have contravened the Ordinance; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the Constitutional and Mainland Affairs Bureau (CMAB) and the Hong Kong Monetary Authority (HKMA), my reply to the various parts of the question is as follows:

(1) and (2) Under the current legal framework, personal data are protected by the Personal Data (Privacy) Ordinance (PDPO). The Code of Practice on Consumer Credit Data (Code of Practice) is issued by the Privacy Commissioner for Personal Data (the Commissioner) under section 12 of the PDPO with an aim to provide practical guidance on the handling of consumer credit data to credit reference agencies (CRAs) and credit providers in Hong Kong. The Code of Practice covers requirements governing the collection, accuracy, use and security of consumer credit information, as well as data access and correction requests. The Code of Practice also requires consumer CRAs to take appropriate actions in daily operations, including monitoring and reviewing on a regular and frequent basis usage of the database, with a view to detecting and investigating any unusual or irregular patterns of access or use.

Banks and other credit providers, as users of services of CRAs, are required to comply with the requirements of the PDPO and the Code of Practice in their sharing and use of customers' credit data through CRAs. The HKMA, as a regulator for banks, requires banks to have clear and comprehensive policies and procedures to ensure compliance with the relevant requirements.

To promote competition in the sector, the HKMA has been discussing with the Hong Kong Association of Banks, the Hong Kong Association of Restricted Licence Banks and Deposit-taking Companies and the Hong Kong S.A.R. Licensed Money Lenders Association Limited (collectively referred to as 'Industry Associations') the proposal of introducing more than one consumer CRAs in Hong Kong. It seeks to implement the relevant arrangement soon with a view to enhancing the service quality of consumer CRAs and reducing the operational risk of having only one commercially-run consumer CRA in the market, particularly the risk of single point of failure. The HKMA and the Industry Associations have reached a consensus on the new operating model under the proposal. The Industry Associations are actively pursuing various preparatory work, including the drawing up of a code of practice for the CRA industry (Industry Code) to stipulate applicable standards on various aspects including corporate governance, internal control, and use and protection of customer data; as well as the setting up of a governance body to enforce the relevant work. The HKMA will endorse the Industry Code and revise its

Supervisory Policy Manual module on 'The Sharing and Use of Consumer Credit Data through a Credit Reference Agency' to set out the supervisory expectation for banks to interface with CRAs through a multiple CRAs platform and comply with the regulatory requirements upon commencement of the platform. As these arrangements will significantly enhance the regulation of consumer CRAs, the Administration has no plan to introduce legislation to require CRAs to seek endorsement or authorisation from financial regulators for their operations.

According to the Code of Practice, credit providers should update account information promptly, by the end of each reporting period and not exceeding 31 days in any event. While shortening the reporting period for credit providers to submit data may allow credit reports to reflect the latest information, it will also reduce the time available for credit providers to handle and verify the relevant information. A customer's credit record and rating may be affected as a result should any doubt arises over the accuracy of data submitted to CRAs. The trade generally considers that the current information updating arrangements can broadly fulfil its credit risk management needs. The Industry Associations have not received any views requesting changes to the current practice during discussion of the proposal to introduce multiple CRAs. Since shortening the information reporting period may affect to a varying extent credit providers' operational workflow and information technology system, we consider it appropriate to maintain the reporting period at 31 days.

(3) Pursuant to the PDPO, if the Commissioner considers that a data user contravenes a Data Protection Principle, the Commissioner may issue an enforcement notice to the data user requesting rectification. If the data user does not comply with the requirements of the enforcement notice, the Commissioner would refer the case to the Police for criminal investigation and prosecution. Upon conviction, non-compliance with an enforcement notice may attract a fine at level 5 (HK\$50,000) and imprisonment of up to two years.

The CMAB is contemplating amendments to the PDPO, with a view to strengthening the protection of personal data privacy. It consulted the Legislative Council Panel on Constitutional Affairs earlier on the direction of amendments to the PDPO, including exploring the feasibility of introducing administrative fines for data users who contravene the PDPO. The CMAB is further studying with the PCPD the precise arrangements involved such as the penalty mechanism and level of fine, and will make reference to relevant laws in other jurisdictions with a view to devising practicable legislative proposals.

Thank you President.

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## LCQ7: Profit requirements for companies to be listed on Main Board

Following is a question by the Hon Christopher Cheung and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (June 9):

Question:

At present, companies seeking to be listed on the Main Board have to satisfy the following profit requirements: the profit attributable to shareholders in the most recent financial year of the trading record period must not be less than \$20 million (Threshold A), and the profit attributable to shareholders in the two preceding financial years must not be less than \$30 million (Threshold B). The Stock Exchange of Hong Kong Limited (the Exchange) launched a two-month public consultation exercise at the end of November last year on a proposal to raise the profit requirements either by 150 per cent (i.e. raising Thresholds A and B to \$50 million and \$75 million respectively) or by 200 per cent (i.e. raising Thresholds A and B to \$60 million and \$90 million respectively). As revealed in the consultation findings published last month, among the 115 non-duplicated responses, respectively 17 per cent and 83 per cent supported and did not support the proposal to raise the profit requirements. The Exchange indicated that, after careful consideration of all responses, it had decided to raise Thresholds A and B to \$35 million and \$45 million respectively (i.e. raising Thresholds A and B from an aggregate \$50 million by 60 per cent to \$80 million). The new profit requirements will take effect on January 1 next year. In this connection, will the Government inform this Council:

(1) whether it has gained an understanding from the Exchange why it had not gone along with the mainstream responses collected from the public consultation exercise by shelving the proposal to raise the profit requirements;

(2) whether it will request the Exchange to review and shelve its decision, so as to go along with the mainstream responses collected from the public consultation exercise; and

(3) as some practitioners of the securities industry have pointed out that upon upward adjustment of the profit requirements, the threshold for listing on the Main Board of the Exchange would be the highest among the securities markets in the world, how the Government ensures that small and medium enterprises can still make use of the securities market of Hong Kong to raise fund through launching initial public offerings?

Reply:

President,

At present, the Listing Rules of the Hong Kong Exchanges and Clearing Limited (HKEX) requires that companies applying for listing (listing applicants) should meet requirements such as minimum market capitalisation, profit, etc. The relevant requirements aim at upholding market quality and strengthening Hong Kong's position as an international financial centre. The HKEX has all along been adjusting the relevant requirements in light of the latest development of the market.

The profit requirements for listing applicants have not been revised since 1994. While the HKEX increased the minimum market capitalisation requirement for listing applicants in 2018, it did not correspondingly increase the minimum profit requirements. The Securities and Futures Commission (SFC) and the HKEX notice that there have been listing applicants who could marginally meet the profit and market capitalisation requirements and with relatively high valuation when compared with their listed peers. Many of these companies could not maintain the relevant valuation after listing, causing losses for investors and hence regulatory authorities' concern about the basis of these listed companies' valuation. The SFC and the HKEX also note that certain misconduct, including the orchestration of "ramp-and-dump" schemes, etc., usually involved listed companies that could barely meet the minimum market capitalisation requirement but with relatively low profit.

In order to address these regulatory issues, the HKEX considers it necessary to increase the profit requirements and consulted the market on such proposals from November 2020 to February 2021. Specifically, the HKEX proposed to increase the profit requirements by 150 per cent (Proposal 1) or 200 per cent (Proposal 2). Having carefully considered the respondents' feedback, the HKEX issued the consultation conclusions in May 2021 with the decision to increase the profit requirements by 60 per cent and postpone the implementation date to January 1, 2022. At the same time, the SFC and the HKEX issued a joint statement setting out issues that have been identified in recent initial public offerings and the commitment to step up their collaboration to tackle misconduct and improper behaviour involving newly-listed companies.

Having consulted the SFC and the HKEX, my reply to the three parts of the question is as follows:

(1) and (2) It has been the HKEX's established practice to conduct market consultation on proposed amendments to the Listing Rules and make suitable adjustments to the proposals as set out in the consultation paper having regard to the views received from market participants. Doing so would ensure that the rules formulated are in the overall interest of the market and investors.

In respect of the increase in profit requirements of listing applicants, the HKEX has also conducted a consultation in accordance with the abovementioned arrangement and it has carefully considered the feedback received. The HKEX stated in the consultation conclusions that majority of

the 17 per cent of the respondents were inclined to support Proposal 1 and the rest of the respondents did not support the proposals due to various reasons. Although these respondents did not agree to the level of increase in profit requirement (i.e. Proposal 1 or Proposal 2) as proposed by the HKEX, they were not against the principle of improving the quality and maintaining the diversity of the capital market in Hong Kong.

After careful consideration of the respondents' feedback and the principle of upholding market quality and protecting the interest of the investing public, the HKEX decided to adjust the level of increase in profit requirements, i.e. from an increase by 150 per cent or 200 per cent to an increase by 60 per cent, and postpone the implementation date to January 1, 2022.

(3) The specific business and financial requirements for listing applicants of the securities exchanges in different jurisdictions vary and therefore cannot be directly compared. As far as profit requirements are concerned, the three-year minimum aggregate profit requirement for listing on the NASDAQ's Global Select Market or the New York Stock Exchange ranges from US\$11 million to US\$12 million (i.e. approximately HK\$85 million to HK\$93 million), which is higher than the profit requirements to be imposed by the HKEX from January 1, 2022 (i.e. three-year total of HK\$80 million). The NASDAQ's Global Select Market and the New York Stock Exchange also require issuers to have minimum public float of US\$40 million (i.e. approximately HK\$310 million), which is significantly higher than the minimum public float of HK\$125 million for the HKEX's Main Board listing applicants.

The HKEX will continue to implement initiatives to promote further market development and uphold market quality in light of its latest development, thereby strengthening Hong Kong's position as an international financial centre.

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## [LCQ14: Reprovisioning or redevelopment of school premises](#)

Following is a question by the Dr Hon Priscilla Leung and a written reply by the Secretary for Education, Mr Kevin Yeung, in the Legislative Council today (June 9):

Question:

Regarding the reprovisioning or redevelopment of the premises of primary, secondary and special schools, will the Government inform this Council:

(1) of the respective current numbers of (i) primary schools, (ii) secondary schools and (iii) special schools whose premises have a site area of less than 3 000 square metres and are over 30 years old, and the facilities in which are below the current standards;

(2) of the following information on those schools the premises reprovisioning or redevelopment works for which (i) were completed within the past five years and (ii) are currently in progress:

- (a) name of school,
- (b) type of school (i.e. government, subsidised, Direct Subsidy Scheme and private),
- (c) name of school sponsoring body (SSB) (if applicable),
- (d) year of completion of the original school premises,
- (e) date on which the School Allocation Committee (SAC) under the Education Bureau (EDB) received the application concerned,
- (f) date on which the Finance Committee of this Council approved the funding application of the project concerned,
- (g) approved project estimates, and
- (h) actual project expenditure (if applicable); and

(3) as it has been reported that there has been a wave of students dropping out in this school year, whether SAC will, when considering applications from SSBs in future, take into account the overall change in the school-age population in Hong Kong; whether the EDB has reviewed from time to time the school premises reprovisioning or redevelopment projects which are scheduled to commence, so as to avoid an oversupply of school places?

Reply:

President,

At present, there are about 900 public sector schools in the territory. Their premises covering various facilities were built in different periods in accordance with the building standards at the time of construction. Since 1997, the Government has designed and built new public sector schools in accordance with the prevailing standards, and has updated such standards from time to time in response to implementation of new policies and initiatives (such as the New Senior Secondary academic structure).

In response to Dr Hon Priscilla Leung's questions on the reprovisioning and redevelopment of school premises, our reply is as follows:

(1) As at May 2021, about 200 public sector schools were built according to the prevailing standards. Based on the information from the Education Bureau (EDB), among the remaining approximately 700 public sector schools, over 130 ordinary primary schools and 10 ordinary secondary schools are with a site area of less than 3 000 square metres and premises over 30 years old. That said, most of these schools have enhanced their premises and facilities through the School Improvement Programme, minor improvement works projects and the annual Major Repairs exercise. In addition, based on school-based

management, schools may alter the use of some school facilities to meet students' needs and suit the overall school development. All existing school premises in operation comply with the prevailing statutory requirements.

In respect of special schools, since there are different types/scales of special schools with varying facilities to meet the diverse needs of their target students, the requirement on school site area is different. Unlike ordinary public sector primary and secondary schools, the Hong Kong Planning Standards and Guidelines have not set a reference site area for different types of special schools. Provision of facilities for newly built special schools (including boarding section) would be vetted on a case-by-case basis. The EDB will regularly review the reprovisioning or redevelopment needs of special schools.

(2) Information on schools that have completed reprovisioning or redevelopment in the past five years (2016 to 2020) and those that are undergoing redevelopment or reprovisioning are at Annexes 1 and 2 respectively.

(3) Land resources are valuable, and the construction, redevelopment or reprovisioning of primary and secondary schools involves substantial public expenditure. The EDB has all along been prudent in its development of public sector school building projects so as to meet overall and district-specific needs, ensure the steady development of the school sector, and at the same time enhance schools' learning and teaching environment.

The EDB has been closely monitoring the changes in student population. Generally speaking, it is not unusual to observe student mobility within or after the start of a school year. In addition, the development of the COVID-19 epidemic has also affected the number of newly-arrived students and cross-boundary students joining local schools. According to the prevailing mechanism, the EDB will make reference to the school-age population projections, which are compiled based on the population projections updated regularly by the Census and Statistics Department, and take into account the actual number of students at various levels as well as the latest demographic changes (including the number of newly-arrived children from the Mainland) in estimating the future demand for school places and related resources. The EDB will consider factors such as the latest projections, other factors that may affect the demand for school places in certain districts, different options to increase the supply of school places in particular districts, the prevailing education policies (including to enhance teaching and learning environment through reprovisioning) before deciding whether it is necessary to allocate school premises (including suitable vacant school premises) for setting up new school(s) or reprovisioning of existing school(s) or to carry out in-situ redevelopment. The EDB will continue monitoring the projected supply of and demand for public sector school places in Hong Kong as a whole and in different districts, and will carefully consider all relevant factors to plan for school building projects as needed.

Most school premises built in recent years have been used for reprovisioning schools built in accordance with past standards, in order to

provide them with a better learning and teaching environment. For in-situ redevelopment projects, when considering the suitability of an individual school for in-situ redevelopment, apart from the quality of education provided and sustainability of the school concerned, factors such as the size of the existing school, age and facilities of the school premises, technical feasibility of the redevelopment, availability of decanting premises, as well as acceptance, commitment and readiness of the school (including parents and teaching staff) shall also be taken into consideration.

In view of the latest downward trend of school-age population in the medium to long term, the needs of different districts vary. Apart from continuing to primarily consider reprovisioning use when launching new school premises for allocation in the future, the EDB will also actively encourage school sponsoring bodies to apply for cross-district reprovisioning of public sector schools in areas with surplus school places, in order to meet the demand for school places in new development areas, as well as to improve the learning and teaching environment of public sector schools.

The EDB will continue to maintain close communication with stakeholders, and encourage the sector to plan ahead to maintain the overall quality of education while ensuring sustainable development of the school sector as a whole and effective use of resources.