

**立法會**  
***Legislative Council***

LC Paper No. FC312/15-16

(These minutes have been  
seen by the Administration)

Ref : FC/1/1(31)

**Finance Committee of the Legislative Council**

**Minutes of the 66<sup>th</sup> meeting  
held at Conference Room 1 of the Legislative Council Complex  
on Saturday, 28 May 2016, at 2:30 pm**

**Members present:**

Hon CHAN Kin-por, BBS, JP (Chairman)  
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)  
Hon LEUNG Yiu-chung  
Hon Emily LAU Wai-hing, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Hon Cyd HO Sau-lan, JP  
Hon Starry LEE Wai-king, JP  
Hon CHAN Hak-kan, JP  
Hon WONG Kwok-kin, SBS  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon Frankie YICK Chi-ming, JP  
Hon YIU Si-wing, BBS

Hon Gary FAN Kwok-wai  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Dr Hon Kenneth CHAN Ka-lok  
Hon KWOK Wai-keung  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon IP Kin-yuen  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Hon TANG Ka-piu, JP  
Dr Hon CHIANG Lai-wan, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP  
Hon Tony TSE Wai-chuen, BBS

**Members absent:**

Hon Albert HO Chun-yan  
Hon LEE Cheuk-yan  
Hon James TO Kun-sun  
Dr Hon LAU Wong-fat, GBM, GBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Kwok-hing, BBS, MH  
Dr Hon LAM Tai-fai, SBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Dr Hon LEUNG Ka-lau  
Hon CHEUNG Kwok-che  
Hon Paul TSE Wai-chun, JP  
Hon Albert CHAN Wai-yip  
Hon WONG Yuk-man  
Hon Claudia MO  
Hon James TIEN Pei-chun, GBS, JP  
Hon NG Leung-sing, SBS, JP  
Hon WU Chi-wai, MH  
Hon CHAN Han-pan, JP  
Hon CHAN Yuen-han, SBS, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, BBS, JP

Dr Hon KWOK Ka-ki  
Hon Dennis KWOK  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Hon SIN Chung-kai, SBS, JP  
Dr Hon Helena WONG Pik-wan  
Dr Hon Elizabeth QUAT, JP  
Hon CHUNG Kwok-pan  
Hon Alvin YEUNG Ngok-kiu

**Public officers attending:**

Ms Elizabeth TSE Man-yee, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>1</sup>
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Prof Sophia CHAN Siu-chee, JP	Under Secretary for Food and Health
Ms Wendy AU Wan-sze	Principal Assistant Secretary for Food and Health (Health) Special Duty <sup>1</sup>
Dr. Edmond MA Siu-keung	Consultant (Research Office), Food and Health Bureau
Ms Angel FAN On-ki	Chief Secretariat Executive (Grant Management), Food and Health Bureau
Dr. Richard COLLINS	Scientific Review Director, Food and Health Bureau
Mr Nicholas YANG, JP	Secretary for Innovation and Technology
Mrs Millie NG KIANG Mei-nei	Deputy Secretary for Innovation and Technology
Ms Annie CHOI Suk-han, JP	Commissioner for Innovation and Technology
Mr Johann WONG Chung-yan, JP	Deputy Commissioner for Innovation and Technology
Mr Vincent TANG Chi-leung	Assistant Commissioner for Innovation and Technology (Infrastructure and Quality Services)
Mr Allen MA Kam-sing	Chief Executive Officer, Hong Kong Science and Technology Parks Corporation)

**Clerk in attendance:**

Ms Anita SIT

Assistant Secretary General 1

**Staff in attendance:**

Mr Derek LO

Chief Council Secretary (1)5

Mr Raymond SZETO

Council Secretary (1)6

Mr Frankie WOO

Senior Legislative Assistant (1)3

Ms Michelle NIEN

Legislative Assistant (1)5

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Action

The Chairman advised that the Finance Committee ("FC") would deal with the remaining three funding proposals under the Agenda that day.

**Item No. 4 – FCR(2016-17)29**

**HEAD 140 – GOVERNMENT SECRETARIAT: FOOD AND HEALTH  
BUREAU (HEALTH BRANCH)**

**Subhead 700 – General non-recurrent**

**Item 823 – "Health and Medical Research Fund"**

2. The Chairman advised that the item sought FC's approval of an increase in the commitment from \$1,415 million by \$1,500 million to \$2,915 million for the Health and Medical Research Fund ("HMRF") to sustain its operation for another five years and to incorporate the functions of the Health Care and Promotion Fund ("HCPF").

Operation of the HMRF

3. Mr CHAN Chi-chuen enquired whether applicants for the HMRF had the autonomy to decide on the content of their research projects, and whether a timeframe would be set for each funded research project. Mr YIU Si-wing expressed support for the item. He asked if the Grant Review Board would take the initiative to propose some research directions for applicants' consideration, including research on diseases that had no precedent in Hong Kong such as Zika virus and the Middle East Respiratory Syndrome which was also known as the new SARS. Mr LEUNG Yiu-chung enquired how the Administration would assess the research project applications, and whether areas of research would be prioritized for applicants' reference. Mr Tony TSE also expressed support for the funding item and asked whether the research projects had to be conducted locally.

4. Under Secretary for Food and Health ("US for FH") advised that applicants for the HMRF should state the rationale for undertaking their research projects. Research projects targeted at common diseases in Hong Kong would be accorded higher priorities. The thematic priorities were listed on the webpage of the HMRF. The research timeframe was normally set for two to three years and HMRF applicants must be employees of local organizations. In addition to research projects proposed by applicants, the HMRF also had dedicated funding for the Bureau to initiate research on particular diseases or health problems. For diseases that had no precedent in Hong Kong, it would be difficult to conduct research in the absence of cases. Having said that, research related to drugs and vaccines could still be considered. Consultant (Research Office), Food and Health Bureau ("C(RO), FHB") added that the scientific merit of the applications would first be screened by international experts, followed by a second round of review by local experts to see whether the research topics fell within the ambit of the HMRF and their relevance to research priorities. Besides, the feasibility of the research projects, compliance with ethical standards and past performance of applicants would also be taken into consideration.

5. Ms Emily LAU asked why members of the Research Council, which was responsible for administering the HMRF, had an appointment term of only two years, compared with the usual six-year appointment term applicable to members of government advisory bodies. US for FH advised that if members of the Research Council performed well, their appointment would normally be extended for another two years upon expiry of the two-year term.

6. Mr LEUNG Kwok-hung pointed out that some researchers who were granted funding under the HMRF got promotion after completion of their research projects. While most members of the Research Council were academics from universities, Mr LEUNG worried that there would be conflict of interest when they reviewed the outcomes of the research projects.

#### Research monitoring and outcome evaluation

7. Mr CHAN Chi-chuen enquired how the Administration monitored the effectiveness of the research projects. Dr Kenneth CHAN also asked whether there was any mechanism to evaluate the outcomes of past funded research projects.

8. US for FH said that the Research Council, which was in charge of the HMRF, would monitor the progress of individual projects. Applicants were also required to submit interim reports in the course of research and final reports upon completion of the projects. In addition, the Research Council would evaluate the effectiveness of the research projects by an instrument, the development of which was based on the internationally validated Buxton-Hanney research payback questionnaire. Results showed that among the past funded projects, more than 70% reported publication of research findings and more than 30% of the research findings reported impacted on various aspects, including facilitating the formulation of healthcare policies and treatment guidelines conducive to health promotion. She added that during the period from 2013 to 2015, the HMRF had funded a total of 634 research projects. The research findings would be published in medical journals and will provide scientific evidence to support the Government's medical and health policies.

9. Mr LEUNG Yiu-chung enquired whether the Administration would formulate corresponding government policies in accordance with the findings of HMRF funded projects. US for FH advised that findings of successful research projects would be submitted to the Hospital Authority for follow-up action to see whether application of the research findings at clinical level would be viable. In formulating medical and health policies, the Administration would also make reference to research findings related to public health policies.

10. Mr LEUNG Kwok-hung enquired whether in the past there were HMRF funded research projects that had not concluded any findings or published any dissemination reports upon completion. He requested the Administration to give justification on the remark made in the discussion paper that the role of the HMRF compared well with similar overseas research funds. He also requested the Administration to provide the findings of research projects related to alcoholism and drug abuse. C(RO), FHB pointed out that surveys on the effectiveness of research projects were usually conducted within two years after project completion. However, it might take researchers more than two years to publish research findings and dissemination reports after project completion. He added that similar survey approach was adopted in Australia and the United Kingdom, and the results were similar to those found in Hong Kong. Supplementary papers would be provided to explain the results of the research payback questionnaire, and the findings of research projects on alcoholism and drug abuse.

*[Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. FC263/15-16(01) on 22 June 2016.]*

Expansion of the HMRF to incorporate the functions of the HCPF

11. Dr Kenneth CHAN and Ir Dr LO Wai-kwok expressed support for the funding proposal. They pointed out that HMRF would expand its funding scope to incorporate the "Health Care and Promotion Projects" ("HCPP") that used to be financed by the HCPF, and thus the estimated expenditure was increased. They asked whether more medical research projects at community level would be conducted to promote public awareness of health, and enquired how the Administration could ensure that the increased funding would be wisely spent. Mr Alan LEONG also asked the Government to spell out the rationale for incorporating the functions of the HCPP into the HMRF.

12. US for FH advised that after incorporating the HCPP into the HMRF, the funding ceiling for each research project under the HCPP would increase from the current \$500,000 to \$1.2 million. It was hoped that more large-scale and quality community healthcare research projects could be done to promote healthy lifestyle among the general public. In addition, the HMRF had also set up the Research Fellowship Scheme with a view to training up more talents. She added that the HCPP would continue to be monitored by the HCPF Committee. The Administration would provide supplementary information on the details of such arrangement and its benefits.

[*Post-meeting note:* The Administration's supplementary information was issued to members vide LC Paper No. FC263/15-16(01) on 22 June 2016.]

Proposed research topics*E-cigarettes*

13. Dr Kenneth CHAN, Mr KWOK Wai-keung and Mr IP Kin-yuen pointed out that the problem of e-cigarette abuse was spreading amongst the younger generation, and enquired if the Administration would allocate funding from the HMRF to conduct research on the problem of e-cigarettes. US for FH advised that the Administration was aware of the problem of children using e-cigarettes, and there was no scientific evidence to prove that e-cigarettes could help people quit smoking. The Administration had proposed to the Legislative Council to strengthen the regulatory framework for e-cigarettes and public education would also be stepped up. The Administration would not exclude the possibility of listing research on e-cigarettes as a thematic priority under the HMRF. Dedicated research on it would also be considered in order to assist the Government to collect data related to the topic.

*Rare diseases*

14. Ms Emily LAU pointed out that the Administration granted funding to set up the HCPF in 1995 and assisted patients suffering from rare diseases to seek treatment that was not available in Hong Kong. Ms LAU and Dr Fernando CHEUNG enquired whether assistance would be given to such patients under the HMRF and whether in-depth research on these diseases would be conducted. US for FH advised that applications for research related to rare diseases would be given equal consideration under the HMRF. C(RO), FHB added that the HCPF used to finance drugs for patients. After reviewing on the operational direction of the HCPF in 2006, it was held that patients suffering from rare diseases could get subsidies for drugs through the Samaritan Fund, such that resources from the HCPF could be directed to health promotion. The Administration would provide supplementary information to members on the assistance rendered by the Government to rare disease patients.

[*Post-meeting note:* The Administration's supplementary information was issued to members vide LC Paper No. FC263/15-16(01) on 22 June 2016.]

*Topics of community health*

15. Dr Fernando CHEUNG expressed support for the funding proposal. Dr Fernando CHEUNG and Ms Cyd HO remarked that apart from giving consideration to research on clinical medicine, they hoped that the HMRF would also finance research on health problems from a social perspective to see how mental health could be affected by problems such as poverty, long working hours, noise and light pollution, and encourage the academics to conduct related research by applying under the HMRF. Mr IP Kin-yuen also suggested the Administration study the mental well-being of children and teachers through the HMRF. US for FH said that the HMRF would set aside more resources for research projects related to community health. Topics of mental health were also amongst the thematic priorities.

16. Dr Kenneth CHAN suggested that the HMRF should finance research projects on the mental well-being and needs of carers for chronically-ill persons, thus strengthening support for them. US for FH expressed that the Administration attached importance to carers' needs in their mental well-being. Related research projects were thematic priorities under the HMRF and funds had been granted for such projects in the past.



17. Mr TANG Ka-piu asked whether District Councils or trade unions could apply for HMRF funding to conduct related research on topics of community health and occupational health. US for FH said that anyone could apply for funding from the HMRF as long as the projects under application contained elements of scientific research, and applicants were required to set out his evaluation on the research findings.

*Cognitive decline*

18. Mr TANG Ka-piu proposed to include projects on caring for dementia patients under the scope of HMRF, and develop corresponding policies according to the findings to facilitate rehabilitation and caring for dementia patients. US for FH advised that a number of elderly care tasks required medical-social collaboration. To this end, the HMRF was conducting a large-scale dedicated research project. Any applications for studying the issue of elderly care would be put under thematic priorities. The Review Committee on Mental Health under the FHB was also working with the Labour and Welfare Bureau to study the issue of caring for dementia patients.

*Hepatitis B*

19. Mr KWOK Wai-keung pointed out that a research project on treatment of liver cancer funded by HMRF had been completed. He enquired if the Administration would conduct further research on this topic. US for FH said that if an HMRF funded project got outstanding research findings, a conference would normally be arranged to brief medical personnel about the research findings so that they could be used in clinical application.

*Child obesity*

20. Mr KWOK Wai-keung asked whether the Administration would conduct research on child obesity with funding from the HMRF, and requested the Administration to brief on the work progress of the Committee on Reduction of Salt and Sugar in Food. US for FH advised that the Committee was undertaking preparatory work. The Department of Health had cooperated with a number of schools to reduce salt and sugar in food provided in schools to control the problem of child obesity.

*Pharmaceutical research*

21. Mr Tony TSE enquired about the proportion of pharmaceutical research amongst the HMRF funded projects. US for FH advised that the

Administration attached importance to pharmaceutical research. Dedicated funding had been granted to the University of Hong Kong and the Chinese University of Hong Kong to set up clinical research centres to study and test new drugs. Applications for research on new drugs or study on the effectiveness of existing drugs under the HMRF would be taken into consideration.

*Naturopathy*

22. Ms Cyd HO suggested the Administration consider granting funding under the HMRF to finance research on naturopathy and promote naturotherapy in the community. US for FH noted her views.

23. There being no further questions from members, the Chairman put the item to vote. Taking the view that most of the members who voted were in favour of the item, the Chairman declared that the Committee approved the item.

**Item No. 5 – FCR(2016-17)30**

**CAPITAL INVESTMENT FUND**

**New Subhead – "Equity in the Hong Kong Science and Technology Parks Corporation for Stage 1 of the Science Park Expansion Programme"**

**New Subhead – "Loan to the Hong Kong Science and Technology Parks Corporation for Stage 1 of the Science Park Expansion Programme"**

**Item No. 6 – FCR(2016-17)31**

**CAPITAL INVESTMENT FUND**

**Head 962 – INDUSTRY**

**New Subhead – "Equity in the Hong Kong Science and Technology Parks Corporation for an Advanced Manufacturing Centre and a Data Technology Hub"**

**New Subhead – "Loan to the Hong Kong Science and Technology Parks Corporation for an Advanced Manufacturing Centre and a Data Technology Hub"**

24. The Chairman advised that Item 5 sought FC's approval of –

- (a) a commitment to inject \$2,878 million as equity from the Capital Investment Fund; and
- (b) a guarantee by the Government for a commercial loan amounting to \$1,107 million and the interest arising therefrom

to the Hong Kong Science and Technology Parks Corporation ("HKSTPC") to support Stage 1 of the Science Park Expansion Programme. Besides, Item 6 sought FC's approval of a commitment from the Capital Investment Fund to –

- (a) inject \$6,598 million as equity; and
- (b) provide \$1,650 million as a loan

to the HKSTPC for developing an Advanced Manufacturing Centre ("AMC") and a Data Technology Hub ("DT Hub") under the Revised Industrial Estate Policy.

Discussion arrangements for Items FCR(2016-17)30 and 31

25. The Chairman advised that since both Items 5 and 6 were related to the Capital Investment Fund and the development of innovation and technology industries, he proposed to combine the discussion of the two agenda items.

26. Mr LEUNG Kwok-hung asked the Chairman how the two agenda items were related to each other. The Chairman advised that members' questions related to both items would be responded by the same group of officials from the Innovation and Technology Bureau. He added that the two items would be voted on separately.

27. Mr CHAN Chi-chuen asked whether members' question time would be based on the principle of 5 minutes in the first round, 4 minutes in the second round, and so on and so forth. The Chairman advised that he combined the discussion of the two items according to the usual practice adopted in FC meetings. Yet he assured members that sufficient time would be given for them to put questions to the officials. Mr LEUNG Kwok-hung expressed dissatisfaction with the arrangement and found the two items unrelated to each other. The Chairman reiterated that sufficient question time would be given to members.

Combined discussion of FCR(2016-17)30 and 31

28. In response to the Chairman's invitation, Mr WONG Ting-kwong, Chairman of the Panel on Commerce and Industry ("CI Panel") briefed members that the CI Panel supported in principle the funding proposals FCR(2016-17)30 and 31. For FCR(2016-17)30, the CI Panel supported the proposed Stage 1 of the Science Park Expansion Programme and its related financing arrangement. Members of the CI Panel were of the view that the Administration should attract more international technology companies to

establish their research and development bases at the Science Park, and encourage such companies to transform research findings into finished products in Hong Kong, so as to boost the development of the local industrial sector. Members were also concerned whether sufficient sites were reserved for the development of innovation and technology industries in the long run. Some members considered that the project cost of the proposed Stage 1 of the Science Park Expansion Programme should be fully financed through HKSTPC's internal resources and commercial loans guaranteed by the Administration, without any equity from the Government. Members requested the Administration to provide more information on HKSTPC's financial position in order to provide adequate justifications for the proposed financing arrangements. Some other members were concerned about how the rental levels of the Science Park compared with those in the open market and proposed that HKSTPC should consider increasing the rentals of the Science Park as appropriate so as to increase its revenue.

29. Mr WONG Ting-kwong further advised that for FCR(2016-17)31, members of the CI Panel were concerned whether the design and ancillary facilities of the two development projects of AMC and DT Hub were flexible enough to cope with the development of individual industries undertaken by potential tenants in future. As far as AMC was concerned, some members considered that the Administration should make comprehensive planning for the coming high-end, high value-added manufacturing industries in order to attract more related enterprises. Some other members expressed concern about the leasing requirements, including rental levels, of the two development projects and requested that the Administration should ensure the tenants complied with the terms and conditions of the tenancy agreement of the industrial estate. Members also pointed out that as the demand for transportation facilities and other ancillary facilities such as eateries, banking service and car parks in Tseung Kwan O Industrial Estate would greatly increase upon completion of the two development projects, the Government should expedite the relevant planning. Besides, the Administration should ensure there would be sufficient land for the development of the DT Hub in the long run.

30. Ir Dr LO Wai-kwok declared that he was a member of the Board of Directors of the HKSTPC and had no pecuniary interest in the two funding proposals. He expressed support for the two funding proposals and enquired about the Government's strategy for the development of AMC. In view of the high take-up rate of the Science Park, he enquired if the Administration would improve the ancillary transport facilities of the Science Park in the midst of the expansion.

31. Secretary for Innovation and Technology advised that HKSTPC hoped to transform traditional labour-intensive industries into smart production industries that did not need massive land resources, such as those industries making use of robotic technology and those related to medical health. He believed Hong Kong had the potential for development in this area and Hong Kong businessmen in Mainland China would be attracted to return to Hong Kong for development. Regarding the issue of ancillary transport facilities, Commissioner for Innovation and Technology advised that the transport demand at the Science Park was well noted. In tandem with the completion of the two new buildings under the Expansion Programme, the transport interchange at grade would be re-designed so as to enhance the ancillary transport facilities in the area.

32. Ms Emily LAU commented that technological development in Hong Kong was not satisfactory. Given that the Government itself did not take the lead to make use of local scientific research findings, it would be difficult to convince the business sector to get engaged. She also expressed concern about the decreasing number of university students enrolled in the Department of Engineering in Hong Kong as this would affect manpower training. Commissioner for Innovation and Technology advised that the Administration had proposed expansion of the Public Sector Trial Scheme in this year's Budget by piloting newly-developed technology products of start-ups in the public sector. Moreover, the Administration was concerned about how to attract graduates of scientific research related departments to engage in the industries. For this purpose, the Administration would extend the Internship Programme that used to subsidize only organizations undertaking research projects funded by the Innovation and Technology Fund to cover graduates recruited by start-ups and small and medium enterprises operating in the Science Park and Cyberport. The Administration was confident that more graduates would be attracted to continue their career in scientific research industries.

33. At 4:32 pm, the Chairman announced that the meeting be adjourned and the Committee would continue deliberation on these two items at the next meeting to be held on the same day.

34. The meeting was adjourned at 4:32 pm.