

For discussion
on 9 May 2016

**Legislative Council Panel
on Information Technology and Broadcasting**

**Role of Cyberport in Nurturing
the Information and Communications Technology Ecosystem
in Hong Kong**

Purpose

This paper updates Members on the role of Cyberport in nurturing the information and communications technology (ICT) ecosystem in Hong Kong and the latest work progress of Cyberport.

ICT Ecosystem

2. The main purpose of setting up Cyberport by the Government is to foster the growth of technology enterprises and facilitate the development of Hong Kong into a global hub for innovation and technology. As Hong Kong's ICT flagship, Cyberport plays an important role in facilitating the overall innovation and technology ecosystem. Cyberport assists local enterprises and start-ups in adopting the latest technologies more effectively, such as cloud computing, e-commerce, financial technologies, and identifies new opportunities under the Internet Economy, including smart city and big data analytics.

3. Over the years, Cyberport has been committed to nurturing technology start-ups and talents, creating business opportunities for the industry and driving widespread ICT adoption. On nurturing start-ups, Cyberport provides financial and a range of professional support to start-ups in their early stage of development to help them progressively turn innovative ideas into prototype products and physical commodities, draw up marketing plans, raise funds and explore local and overseas markets.

4. Cyberport attaches great importance to talent training. Cyberport has organised various programmes and events with a view to inspiring and encouraging young people to pursue a career in the ICT industry, such as organising competitions and events for students, Mainland/overseas internship

programmes for young people to provide them with practical working experience in the industry.

New Strategies and Initiatives

5. Cyberport will continue to strengthen its work in promoting the overall ICT development and supporting start-ups. The 2016 Policy Address and 2016-17 Budget Speech has announced a series of new initiatives, including setting up the Cyberport Macro Fund of \$200 million to invest in its start-ups. Moreover, the incubation scheme quotas will be increased from 50 to 100, new clusters for areas such as financial technology and e-commerce will be established to meet the latest development of the industry and the market, and the provision of Smart-Space small offices and workstations will be increased by 50% within 2016.

6. In addition, Cyberport will implement a series of initiatives and programmes to facilitate the development of financial technology (FinTech), including rolling out a designated programme to provide support to 150 FinTech start-ups over the next five years. Cyberport will also subsidise and arrange for 300 university students to join FinTech training camps in overseas universities to gain more in-depth understanding of the career prospects in the sector. Cyberport will also set aside a dedicated space of 32 300 square feet in its co-working space Smart-Space to provide support to FinTech start-ups.

Cyberport 2015-16 Work Report

7. The Board of Directors of Cyberport has revised the public missions since 2014-15 to fulfill Cyberport's three giant leaps as follows:

- (a) Inspiring the Next Generation;
- (b) Nurturing the Entrepreneurial Spirit; and
- (c) Leaping on Global Ambition.

Inspiring the Next Generation

8. One of the public missions of Cyberport is to groom local ICT talents and to inspire young people to pursue a career in the ICT industry. To this end, Cyberport has been organising and supporting a number of programmes and events for young people.

Internship Programmes

9. Cyberport has organised a series of Mainland/overseas internship programmes to provide young people with practical working experience in the ICT industry. Under the internship programmes, ICT students work in ICT companies in Shanghai, Fuzhou and Silicon Valley. These companies include EMC, Microsoft, China UnionPay, etc. in Shanghai; NetDragon in Fuzhou; and 500 Startups, Plug and Play, etc. in Silicon Valley. The internships last for six to twelve weeks, with Cyberport subsidising transportation and accommodation. In 2015-16, 34 interns have participated in the internship programmes.

10. Apart from internship with renowned corporations, Cyberport has also put in place an internship programme that provides students with the opportunity to work with start-ups in the Cyberport community, including incubatees, the Cyberport Creative Micro Fund (CCMF) grantees and alumni. Through this programme, participating students acquire experience of working in fledgling start-ups. This instils in the students the interest and enthusiasm for entrepreneurship on the one hand, and provides much-needed manpower to start-up companies which often have difficulties in recruitment on the other. In 2015-16, 22 interns were arranged to work in start-ups.

11. Furthermore, the three-year eHealth Record (eHR) Internship Programme was launched by Cyberport and the Hospital Authority. The programme is in its second year in 2015-16. Graduates in ICT and healthcare-related disciplines from local tertiary institutions can work on electronic health record projects or take part in electronic health record-related activities.

Competitions and Events for Students

12. To spur young people's creativity and arouse their interest in ICT, Cyberport has organised a wide range of activities and competitions for students ranging from primary to tertiary levels, such as Cyberport Let's Code Day 3.0: Computational Day, Inter-School IT Elite Challenge, Global Game Jam Hong Kong 2016, the 6th Hong Kong Digital Game Development Competition, and My Innovation Carnival 2015 – 3D Printing Fantasy, etc. In 2015-16, 3 115 students participated in various competitions and 1 423 students participated in ICT training activities.

Hosting Premium ICT Events

13. To cultivate advanced technological know-how, Cyberport has organised or supported over 150 tech-related events, knowledge transfer and training sessions in 2015-16, including the Digital Entrepreneur Leadership Forum 2015, Silicon Dragon Hong Kong 2015, TEDxHongKongED 2015:

Never Stop, //Build Hong Kong, The 1st China Maker Summit, Youtube Gamers Battle, Bloomberg Businessweek/Chinese: Young Entrepreneur Forum 2015, Blockchain Workshop, FinTech O-2-O Meetup, 2015 FinTech Innovation Lab - Asia Pacific Investor Day, Hong Kong People Support Hong Kong Brands Opening Event, The Future of Venture, PyCon Hong Kong 2015, Cyberport Start-up Angel Pitching Training. These events are of international, regional or local scale, well-received by over 17 000 industry practitioners.

Nurturing the Entrepreneurial Spirit

14. Over the past decade or so, Cyberport has implemented a number of measures and programmes to provide support for technology start-ups in their different stages of development.

Cyberport Creative Micro Fund (CCMF)

15. Under the CCMF programme, Cyberport provides \$100,000 as seed funding for each selected project to turn innovative ideas into prototypes. The annual intake has increased from 54 in 2014-15 to 70 in 2015-16. Since its inception in 2009 up to March 2016, CCMF has granted a total of \$23.2 million to 232 projects.

16. Cyberport University Partnership Programme (CUPP), first launched in 2015-16, is a FinTech-focused youth entrepreneurship programme supported by CCMF. It aims to cultivate talents of next generation and boost the development of Hong Kong as one of the world's foremost FinTech hubs. Through boot camps and mentorship schemes, the CUPP provided university students with opportunities to enrich their business knowledge and learn the keys to success from leading entrepreneurs across the globe. Each team will be paired up with experienced mentors who will offer professional advice on their business ideas. In 2015-16, 18 project teams were nominated by five local universities, and a total of 52 university students joined the Entrepreneurship Boot Camp in Silicon Valley arranged by the Stanford Graduate School of Business. Finally 10 winning teams were each granted \$100,000 of CCMF to turn their ideas into prototypes, while two of the 10 teams were admitted into Cyberport Incubation Programme to start the business.

Cyberport Incubation Programme

17. The Cyberport Incubation Programme provides comprehensive financial, technical and business advisory supports to technology start-ups to help them turning their creative ideas into business undertakings or commercial products. On-site incubatees are given rent-free accommodation in Cyberport for 24 months, and both on-site and off-site incubatees enjoy free use of shared

meeting rooms and demonstration areas in Cyberport. They are also given financial assistance of up to \$330,000 to cover expenses for marketing and promotion, professional services, training, hiring of interns and use of technology services provided by Cyberport during the incubation period. In addition, Cyberport organises a series of thematic workshops and training to equip start-ups with necessary business techniques, hone their pitching skills and help them catch up with fast-changing technologies.

18. Since its inception in 2005, the Cyberport Incubation Programme has admitted 321 technology start-ups. As at March 2016, 231 of these incubatees are still in business, with 76% of them having survived for at least 1.5 years and 60% having survived for 3 or more years after graduation. Technology start-ups often venture into uncharted territory with novel products with limited resources. They typically have a shorter lifespan than businesses in established domains. However, failure for a start-up often translates into useful experience that helps founders take off later. Since 2005, the innovative solutions and products of these incubatees have altogether won 217 industry awards and created 185 intellectual properties.

Cyberport Accelerator Support Programme

19. Cyberport launched the Cyberport Accelerator Support Programme in 2014 to support its incubatees and alumni to participate in local, Mainland and overseas accelerator programmes, which offer valuable guidance on overseas expansion and fundraising. Upon successful application for an endorsed accelerator programme, Cyberport will provide financial assistance of up to \$300,000 to each recipient to cover programme fees, travel, accommodation and other relevant expenses. Since the launch of the Programme, Cyberport has financed 19 start-ups to take part in the renowned accelerators like 500 Startups, Y Combinator and Plug & Play International Accelerator in the US, Seedcamp and Accelerator Cambridge in the UK, InnoSpace and China Accelerator in Mainland, as well as Accenture FinTech Innovation Lab – Asia Pacific, DBS Accelerator and AIA Accelerator Programme in Hong Kong.

Cyberport Macro Fund

20. Cyberport will allocate \$200 million to set up the Cyberport Macro Fund to invest in its ICT start-ups to assist them attract more investment funding. The Board of Directors of Cyberport has set up a task force to work out the plan details, including the modus operandi, manpower plan, estimated expenditure, etc. The Cyberport Macro Fund is expected to be rolled out in the second half of 2016.

Co-working Space for Start-ups

21. Having regard to the demand for working space of technology start-ups, Cyberport provides Smart-Space to enable companies to rent ready-built offices flexibly. Units can be rented on agreements from 1-12 months, with no limit on ultimate length of stay, at an all-inclusive fixed price. This service is especially convenient and useful for start-ups seeking to launch their business with a workstation or small office space initially, then scale up as they grow. Since Cyberport rolled out the Smart-Space in 2009, market demand for such flexible and scalable accommodation has surged. Five additional Smart-Spaces have subsequently been opened with a total floor area of 75 500 square feet. Altogether, these have generated a capacity to accommodate 321 companies. Cyberport will increase 50% of Smart-Space facilities in 2016, reaching a total floor area of 123 200 square feet.

22. In 2015-16, 32 Cyberport start-ups raised \$269 million, as compared with 13 Cyberport start-ups raising \$198 million in 2014-15.

23. Over the years, many participating start-ups of these programmes have developed into successful businesses. Some of them have won awards in renowned international and local IT competitions or pitching contests. For example, Cyberport start-ups won 23 awards in the Hong Kong ICT Awards 2016, accounting for 17% of all the awards presented. Since 2010, Cyberport incubatees, CCMF grantees and alumni have attracted over \$570 million of investment funding, 12 start-ups have attracted mergers and acquisitions, 43 expanded operations beyond Hong Kong and 31 joined various local, overseas and Mainland accelerator programmes. A list of these successful start-ups is detailed at **Annex A**.

Leaping on Global Ambition

24. Cyberport builds partnerships with industry leaders and offers a broad range of services to connect the industry and help small and medium enterprises (SMEs) explore, establish a presence and capture emerging business opportunities in the Mainland and overseas markets. World-class conferences, seminars, briefing sessions, training and workshops are organised to assist industry players in keeping abreast with latest ICT developments.

Promotion and Networking

25. To facilitate technology start-ups leaping on global ambitions, Cyberport organised 13 delegations from April 2015 to March 2016. To expand the global network, Cyberport partnered with the Hong Kong Trade

Development Council and Hong Kong Information and Technology Joint Council to lead a 50-person Delegation to meet with business partners in Silicon Valley and attend “Think Asia, Think Hong Kong” in Toronto in June 2015. Cyberport also organised delegations to participate and showcase in Echelon in Singapore, Tokyo Game Show in Tokyo, Mobile World Congress in Shanghai, The Intelligent Manufacturing & Equipment Exhibition in Guangzhou, GMIC in Beijing and events in other cities to foster technological exchange and explore collaborations at multiple levels.

26. Following the Shanghai Representative Office, Cyberport established its second Mainland representative office in Guangzhou in January 2016. It aims to strengthen business connection in Southern China and facilitate local start-ups to develop in the region. Cyberport also led a delegation to participate in the Guangdong-Hong Kong Cloud Computing Conference in October 2015.

Partnership with Renowned Corporations

27. Cyberport strives to expand its partnership with renowned overseas and Mainland enterprises to help its start-ups germinate and nurture vital global connections, thus facilitating them to raise funding and develop their business beyond Hong Kong. In 2015-16, Cyberport has formed partnerships with 72 organisations from different countries.

28. Subsequent to the reciprocal visits and conferences held in 2015, Cyberport successfully brought in the Wearable IoT World’s “U.S. – Pan Asia IoT Superhighway accelerator” to Hong Kong. The accelerator, which focuses on driving IoT innovation and entrepreneurship in Hong Kong and Asia, will be launched in May 2016 in Cyberport.

29. In November 2015, Cyberport and MaRS Discovery District (MaRS), a Toronto-based innovation and technology hub, entered into MoU to strengthen collaboration in fostering the development of Hong Kong’s start-up ecosystem with FinTech aspirations. Cyberport and MaRS co-organised a FinTech seminar to discuss the global FinTech trends on 11 November 2015. Cyberport and Oxford University Press (OUP), the largest university press in the world, successfully co-organised an educational technology forum at Cyberport on 12-13 January 2016. Seminars, product demo and pitching sections were conducted during the 2-day event.

30. IngDan, an intelligent hardware innovation platform owned by Cogobuy Group, is the largest e-commerce platform serving electronics manufacturing industry in China. It launched the IngDan Experience Centre at Cyberport in March 2016, with a 6 600 square feet multi-function experience hall. It provides an exchange platform for suppliers and investors, and helps

reinforce Hong Kong's position as a leading Internet of Things hub in the region.

31. Cyberport has partnered with Accenture in hosting the FinTech Innovation Lab – Asia Pacific for two consecutive years with encouraging results. The participating FinTech start-ups have successfully raised more than US\$26.5 million. Accenture will continue to host the 3rd FinTech Innovation Lab – Asia Pacific in Cyberport in 2016.

Cyberport's Annual Report 2014-15 and Latest Financial Position

32. The audited accounts of the Cyberport Companies¹ for the financial year ended 31 March 2015 (the 2014-15 Accounts) are at **Annex B**. For the 2014-15 financial year, the operating profit before depreciation and tax and excluding Project Income from the residential development was \$88.4 million², compared with \$93.4 million in 2013-14 and \$70.8 million in 2012-13. Cyberport's contribution to public mission activities in 2014-15 was \$68.2 million, compared with \$52.7 million in 2013-14 and \$32.3 million in 2012-13. As at March 2015, Cyberport's disposable reserve is \$530 million.

33. Cyberport has maintained a healthy occupancy rate, standing at 89.9% as of March 2016, on par with 90.9% last year. There were 406 tenants, comprising 371 commercial organisations (91.6% are SMEs), five non-profit organisations, one government department and 29 on-site incubates, employing a total of around 5 100 people. Over the years, Cyberport has attracted many well-known multi-national corporations. Among the 371 commercial tenants, 110 of the tenants have non-local origins, 32 of which established their first foothold in Hong Kong in Cyberport.

34. Cyberport's Annual Report 2014-15 has been published and uploaded to http://www.cyberport.hk/zh_tw/about_cyberport/annual_report for public viewing.

¹ Three private and wholly-owned companies, namely, Hong Kong Cyberport Development Holdings Limited, Hong Kong Cyberport Management Company Limited and Hong Kong Cyberport (Ancillary Development) Limited (collectively referred to as the "Cyberport Companies" in this paper) were set up under the Financial Secretary Incorporated (FSI) to oversee the implementation of the Project.² The "operating profit before depreciation and tax and excluding Project Income" does not include non-cash depreciation of fixed assets which are mainly Cyberport buildings and facilities. The operating profit shows a surplus and therefore has no adverse implication on the operation of HKCMCL or investment in public mission activities.

² The "operating profit before depreciation and tax and excluding Project Income" does not include non-cash depreciation of fixed assets which are mainly Cyberport buildings and facilities. The operating profit shows a surplus and therefore has no adverse implication on the operation of HKCMCL or investment in public mission activities.

Advice Sought

35. Members are invited to note this paper.

**Office of the Government Chief Information Officer
Innovation and Technology Bureau
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Successful Cyberport Start-ups

Start-up Company	Nature of Business	Achievement
2006 Intake		
3 Dynamics	A mobile game and digital solution developer	<ul style="list-style-type: none"> • Acquired by China Oil Gangran Energy Group
Frenzoo	A mobile game developer	<ul style="list-style-type: none"> • Raised \$7.8 million from investors • Expanded into the US
2007 Intake		
Leovation	A company that provides interactive solutions for infotainment and edutainment	<ul style="list-style-type: none"> • Acquired by Leo Paper • Expanded into Mainland China
Mylamstudio	A multimedia production company	<ul style="list-style-type: none"> • Expanded into Japan
2009 Intake		
Art Group	A company that develops innovative business software and mobile apps	<ul style="list-style-type: none"> • Raised \$0.9 million from investors
Axiom Science	A company that develops human-computer interface for games and image browsing software	<ul style="list-style-type: none"> • Raised \$3.7 million from a matching fund
Bubblemon	An online intellectual property trading platform	<ul style="list-style-type: none"> • Expanded into Mainland China
HoHoJo.com	An online portal for rental properties	<ul style="list-style-type: none"> • Raised \$7.8 million from investors
Lakoo	A mobile game developer	<ul style="list-style-type: none"> • Expanded into Mainland China
MyDress	An online shopping platform for fashion and accessories	<ul style="list-style-type: none"> • Raised \$5 million from an investor
OX Workshop	A multimedia production company	<ul style="list-style-type: none"> • Raised \$2 million from an investor

Start-up Company	Nature of Business	Achievement
2010 Intake		
3D Avatar School	A company that provides online learning programmes	<ul style="list-style-type: none"> • Raised \$20 million from investors
Aldiko	A mobile app for delivering and consuming digital content on mobile devices	<ul style="list-style-type: none"> • Acquired by French e-book retailer “Feedbooks” • Expanded into the US
Alivenotdead.com	An online platform for artists to showcase their works and connect with audience	<ul style="list-style-type: none"> • Raised \$4.5 million from investors in Hong Kong • Acquired by Mig33
Decision Fuel	A platform for marketing research through short, tailored consumer surveys over mobile devices	<ul style="list-style-type: none"> • Acquired by YouGov
DSP4You	A company that provides innovative audio-visual solutions by leveraging networks	<ul style="list-style-type: none"> • Raised \$1 million from an investor
Financial Engineering and Technology Corporation	A company that provides investment advisory services with data mining technology	<ul style="list-style-type: none"> • Raised \$2.5 million from investors
XNT	A creative digital entertainment mobile app developer	<ul style="list-style-type: none"> • Expanded into Japan and Mainland China
2011 Intake		
CoachBase	A mobile app that helps basketball teams improve their performance	<ul style="list-style-type: none"> • Raised \$2.57 million from investors • Expanded into the US • Joined Nike+ Accelerator Programme
Flipter	A social polling micro-blogging site for users around the world to share and gather opinions	<ul style="list-style-type: none"> • Acquired by 1World Online
Kaiheba	An online platform that provides customised innovative gifts	<ul style="list-style-type: none"> • Expanded into Mainland China
Live It China	A free social media platform for language learners	<ul style="list-style-type: none"> • Raised \$15.6 million • Acquired by Fact Family Office

Start-up Company	Nature of Business	Achievement
Openball	A sports game administration platform	<ul style="list-style-type: none"> • Raised \$5.85 million • Expanded into the US • Joined Plug and Play Startup Accelerator Programme
Socxcel	A social media developer	<ul style="list-style-type: none"> • Expanded into the US
Sparkinoo	A design studio that develops virtual characters for brands	<ul style="list-style-type: none"> • Expanded into Mainland China
Timable	An online platform that promotes leisure and cultural events	<ul style="list-style-type: none"> • Acquired by Green Tomato
Visual Squares	A company that provides marketing solutions on social networks	<ul style="list-style-type: none"> • Raised \$1.5 million from angel investors
YEPS Network	An online shopping platform that targets at young people	<ul style="list-style-type: none"> • Expanded into Mainland China
2012 Intake		
Aftership	A platform that helps online businesses to track packages and notifies customer of delivery updates	<ul style="list-style-type: none"> • Raised \$7.8 million from IDG Capital Partners • Expanded into Mainland China
EventXtra	A mobile app providing digital event registration and producing instant badges	<ul style="list-style-type: none"> • Raised \$1.5 million from investors • Expanded into Japan, Mainland China and Southeast Asia
Kowloonia	A mobile game developer	<ul style="list-style-type: none"> • Expanded into Taiwan
Luxurio	An online platform for members to express their personal styles and interests	<ul style="list-style-type: none"> • Raised \$1.25 million from an investor • Expanded into Mainland China
Project Oases	A mobile-connected planting service that encourages city farming	<ul style="list-style-type: none"> • Acquired by YUCO

Start-up Company	Nature of Business	Achievement
Soforit	A company that provides social media solutions and social apps for businesses	<ul style="list-style-type: none"> • Raised \$2.52 million from angel investors • Expanded into Mainland China
Studio R	A multimedia studio specialised in interior design	<ul style="list-style-type: none"> • Raised \$2 million from the Small Entrepreneur Research Assistance Programme
T & T	A company that provides interactive media solutions	<ul style="list-style-type: none"> • Expanded into Mainland China
Teamnote	A mobile app for enterprise communication	<ul style="list-style-type: none"> • Joined Y Combinator Accelerator Programme
VXPLO	A company that provides interactive media solutions	<ul style="list-style-type: none"> • Expanded into Mainland China
InmoTECH Development Limited	A mobile solution provider that specialised in mobile application and backend platform development	<ul style="list-style-type: none"> • Acquired by Mapking
2013 Intake		
AllMobilize	A company that creates mobile-friendly websites for businesses	<ul style="list-style-type: none"> • Raised \$4.7 million from investors • Expanded into Mainland China • Joined Microsoft Ventures Accelerator Programme
AnchorStream Computer	An IT solution provider that focuses on medical, financial, education and entertainment industries	<ul style="list-style-type: none"> • Raised \$3 million from a private medical practitioner investor in Hong Kong • Expanded into Mainland China

Start-up Company	Nature of Business	Achievement
Apprendre Education (Snapask)	A platform that provides a comprehensive e-learning platform for students around the world	<ul style="list-style-type: none"> • Raised \$17 million from the Technology Start-up Support Scheme for Universities (TSSSU) Fund, investors in Singapore and local investors • Expanded into Taiwan • Joined Bang Camp Accelerator Programme • Joined Chinaccelerator Accelerator Programme
Four Directions	A company that provides mobile app and digital marketing solutions	<ul style="list-style-type: none"> • Expanded into Mainland China
GoGoVan	A mobile app that provides logistic services by matching customers and drivers	<ul style="list-style-type: none"> • Raised \$215.5 million from Archangels Access, Centurion Private Equity, Renren and other investors • Expanded into Southeast Asia
IP Nexus (IP Exchange)	An online exchange platform for innovation and intellectual property	<ul style="list-style-type: none"> • Expanded into the US and Japan
Ironfly Technologies	An online trading system for equities	<ul style="list-style-type: none"> • Raised \$2.5 million from investors • Joined FinTech Innovation Lab Accelerator Programme
K.I.T. Network	An education intranet system to facilitate communication between parents, students and teachers	<ul style="list-style-type: none"> • Expanded into Mainland China and Taiwan • Raised \$2 million from investors
Kites	An online platform that allows users to convert a Hong Kong address into geographic coordinates	<ul style="list-style-type: none"> • Raised \$1.2 million from a private investor • Acquired by Asia Miles
Lattice	A financial software company that provides front-office portfolio decision-making systems with integrated risk, cost awareness and analytical precision	<ul style="list-style-type: none"> • Raised \$6 million from investors in Hong Kong

Start-up Company	Nature of Business	Achievement
MailTime	A mobile app that summarises emails in an instant messaging format	<ul style="list-style-type: none"> • Raised \$19.5 million from investors • Expanded into the US • Joined Y Combinator Accelerator Programme
Surround App	A mobile app that provides real time translations on social media platforms	<ul style="list-style-type: none"> • Raised \$0.6 million from Telerik
Trinity	A cloud bidding and procurement platform that simplifies the procurement process	<ul style="list-style-type: none"> • Expanded into Mainland China • Joined Microsoft Ventures Accelerator Programme
Viss Me & Co	An online media and e-commerce platform	<ul style="list-style-type: none"> • Acquired by AID Partners
Gamespace Multimedia Limited	A game company with own R & D game development engine which makes a variety of massively multiplayer web games and mobile games	<ul style="list-style-type: none"> • Raised \$20 million from investors
2014 Intake		
Affashion	An online platform that offers personalised recommendation on apparel choices	<ul style="list-style-type: none"> • Raised \$0.15 million from an investor
Blue Sky Energy Technology	A company that provides interactive energy management solutions to monitor and reduce energy consumption	<ul style="list-style-type: none"> • Joined Blue Print Accelerator Programme
Charles River Advisors	A company that develops algorithmic trading products	<ul style="list-style-type: none"> • Raised \$1 million from an investor
Codex Genetics	A company that provides ethnic-specific personalised genetic analysis services	<ul style="list-style-type: none"> • Raised \$1.9 million from Innovation Technology Support Programme and TSSSU Fund

Start-up Company	Nature of Business	Achievement
English TV	An online educational entertainment video platform that provides English lessons	<ul style="list-style-type: none"> • Expanded into Mainland China • Joined InnoSpace Accelerator Programme • Joined Bang Camp Accelerator Programme
Heartisans	A health care technology product that provides automatic monitoring, analysis and recommendations to improve the users' cardiac health	<ul style="list-style-type: none"> • Joined AIA Accelerator Programme
Innohat	A digital agency that provides website and mobile app solutions	<ul style="list-style-type: none"> • Joined AppWorks Accelerator Programme
JobDoh	A mobile app that matches employers with jobseekers for casual work	<ul style="list-style-type: none"> • Joined Seedcamp Accelerator Programme • Joined Blue Print Accelerator Programme
Optica	A company that produces smart eyewear for visually impaired persons	<ul style="list-style-type: none"> • Joined Blue Print Accelerator Programme
Play2Focus	A mobile game that helps children with Attention Deficit Disorder improve their attention span	<ul style="list-style-type: none"> • Raised \$15.6 million from investors
Quantifeed	An online platform that provides wealth management solutions	<ul style="list-style-type: none"> • Raised \$12.5 million from investors
Sensbeat	An online music platform that allows users to share their locations and emotions associated with the music	<ul style="list-style-type: none"> • Raised \$10.1 million from Big Bloom Investment, PacificLink Capital, PYJ-Dynasty, Prado and other investors • Expanded into the US • Joined Plug and Play Startup Accelerator Programme

Start-up Company	Nature of Business	Achievement
Shoptline	A platform that provides website building and mobile solutions for small and medium sized businesses	<ul style="list-style-type: none"> • Raised \$9.3 million from 500 Startups, SXE Ventures, Ardent Capital, East Ventures and COENT Venture Partners • Joined 500 Startups Accelerator Programme
Simple Wearables	A company that develops creative wearable devices for the elderly	<ul style="list-style-type: none"> • Joined AIA Accelerator Programme
Skytree Digital	A game studio that produces mobile games	<ul style="list-style-type: none"> • Raised \$2 million from an investor
Spottly	A mobile app that lets travellers share their travel itineraries and photos online	<ul style="list-style-type: none"> • Raised \$6.63 million from 500 Startups, Cherubic Ventures, Gobi Partners and other investors • Joined 500 Startups Accelerator Programme
Umbrella Here	A mobile app that lets passersby know that there are umbrellas available for sharing	<ul style="list-style-type: none"> • Raised \$0.12 million from Kickstarter
WhoGotStuff	An online platform for sharing of second-hand items	<ul style="list-style-type: none"> • Expanded into the US
Air Button Technology Limited	A free one-touch wireless control solution for multi-purpose phone control.	<ul style="list-style-type: none"> • Raised \$0.7 million from TSSSU
Vinces Company Limited	A fashion electronic commerce platform	<ul style="list-style-type: none"> • Joined Plug and Play Startup Accelerator Programme
Team Concepts Limited	An one-stop intelligent energy management equipment solution	<ul style="list-style-type: none"> • Joined INFINITI Accelerator Programme
G-Innovator Research & Creation Limited	Innovative and fashion product and services through scientific research methods	<ul style="list-style-type: none"> • Joined AIA Accelerator Programme
Bitspark Limited	An innovative digital currency start-up engaged the exciting world of Bitcoin and Crypto-currency	<ul style="list-style-type: none"> • Joined FinTech Innovation Lab Accelerator Programme
Avrio Solutions	A series of lifestyle-friendly Mobile Device Management ("MDM") applications for kids, parents and educators	<ul style="list-style-type: none"> • Joined Emerge Education Accelerator Programme

Start-up Company	Nature of Business	Achievement
Up Online Limited	Activities planning applications to optimise the user's invitation and searching processes	• Joined Bang Camp Accelerator Programme
AptaCam Hong Kong Limited	Producing and distributing Aptamer, providing treatment and testing support via its own data-sharing platform	• Joined Accelerate Cambridge Accelerator Programme
Fengguo Network Limited	A social networking platform to help users contact customer directly	• Raised \$2 million from mainland investors
Gangpiaoquan Culture Communication Limited	An online community among mainland people in Hong Kong, focusing on transforming online community into a social commerce platform	• Raised \$4 million from mainland investors
TAG Smart Devices Limited	A wearable device to enhance people's daily life	• Raised \$7.8 million from local investors
Nexchange (Hong Kong) Limited	A social networking company focused on building a network connecting the entire financial service professional industry worldwide	• Raised \$19.5 million from local and US investors
Monexo Innovations Limited	An online marketplace for peer-to-peer lending bringing together lenders with borrowers	• Raised \$3.9 million from local investors • Joined DBS Accelerator Programme
2015 intake		
Klook Travel Technology Limited	Asia's leading one-stop platform for travellers	• Raised \$39 million from overseas investors
DelTron Intelligence Technology Limited	An intelligent handheld smartphone stabilizer which can enable customers to shoot smooth videos with professional film quality	• Raised \$1.75 million from TSSSU and investors in mainland
OurCam Company Limited	An instant photo sharing application with chat and networking function	• Raised \$9.75 million from local and mainland investors
TingPark Company Limited	A real-time parking information application to inform car owners real time parking space vacancies in various districts and specific location	• Joined INFINITI Accelerator Programme

HONG KONG CYBERPORT DEVELOPMENT HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2015**

	Note	2014 HK\$ (restated) Note 1	2015 HK\$
Revenue	2	680,054,926	440,990,145
Other income	2	20,888,421	27,744,808
		<hr/>	<hr/>
		700,943,347	468,734,953
Expenses before public mission activities expenses and depreciation		<hr/>	<hr/>
Building management expenses		(125,473,532)	(135,024,276)
Staff costs		(83,175,379)	(85,260,987)
Government rent and rates		(13,693,590)	(12,895,369)
Other operating expenses		(80,103,029)	(78,918,074)
Finance costs		-	(28,190)
		<hr/>	<hr/>
		(302,445,530)	(312,126,896)
Operating profit before public mission activities expenses and depreciation		<hr/>	<hr/>
		398,497,817	156,608,057
Public mission activities expenses		(52,674,193)	(68,239,669)
		<hr/>	<hr/>
Operating profit before depreciation		345,823,624	88,368,388
Depreciation	4	(179,498,268)	(148,376,683)
		<hr/>	<hr/>
(Loss)/profit before taxation		166,325,356	(60,008,295)
Income tax credit /(expense)	3	(41,065,124)	10,001
		<hr/>	<hr/>
(Loss)/profit and total comprehensive income for the year		125,260,232	(59,998,294)
		<hr/>	<hr/>
Dividends		210,000,000	-
		<hr/>	<hr/>

HONG KONG CYBERPORT DEVELOPMENT HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

	Note	2014 HK\$	2015 HK\$
<u>Non-current assets</u>			
Property, plant & equipment	4	3,176,167,571	3,086,109,792
Deferred rental receivable		12,718,015	12,992,113
Investments in securities		483,081,962	655,001,734
		<hr/>	<hr/>
		3,671,967,548	3,754,103,639
		<hr/>	<hr/>
<u>Current assets</u>			
Inventories, at cost	6	509,988	483,024
Trade and other receivables		30,116,627	20,305,386
Income tax recoverable		-	30,806,342
Investments in securities		491,013,163	365,532,175
Cash and bank balances		335,858,660	295,141,620
		<hr/>	<hr/>
		857,498,438	712,268,547
		<hr/>	<hr/>
<u>Current liabilities</u>			
Trade and other payables		84,531,401	78,135,671
Rental and other deposits		70,270,575	74,577,479
Tax payable		9,612,734	-
Obligations under a finance lease		-	2,077,328
		<hr/>	<hr/>
		164,414,710	154,790,478
		<hr/>	<hr/>
Net current assets		693,083,728	557,478,069
		<hr/>	<hr/>
Total assets less current liabilities		4,365,051,276	4,311,581,708
		<hr/>	<hr/>
<u>Equity</u>			
Share capital	7	2	2
Capital reserve	8	5,307,289,804	5,327,648,719
Accumulated losses	9	(1,424,996,399)	(1,484,994,693)
		<hr/>	<hr/>
Total equity		3,882,293,407	3,842,654,028
		<hr/>	<hr/>
<u>Non-current liabilities</u>			
Development maintenance fund	5	432,698,309	422,908,030
Facilities maintenance fund	10	50,000,000	39,608,774
Deferred income	11	59,560	651,721
Obligations under a finance lease		-	5,759,155
		<hr/>	<hr/>
		482,757,869	468,927,680
		<hr/>	<hr/>
		4,365,051,276	4,311,581,708
		<hr/>	<hr/>

HONG KONG CYBERPORT DEVELOPMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. In order to better reflect the vision and focus of the public mission activities of the Group and allow a more comprehensive and informative presentation of the Group's results to the financial statement users, management of the Group has reconsidered the presentation in the consolidated statement of comprehensive income. Certain expenses, less recovery of direct expenses, in connection with the public mission activities have been reclassified as "Public mission activities expenses" and disclosed as a separate line item on the face of the consolidated statement of comprehensive income. Accordingly, the relevant comparative amounts of staff costs, information technology facilities maintenance fees, government rent and rates and other operating expenses, totalling \$61,225,589 and the recovery of direct expenses, totalling \$8,551,396 have been reclassified to conform with the current year's presentation.

2. Revenue and other income

	2014 HK\$ (restated)	2015 HK\$
<u>Revenue</u>		
Rental income	188,294,356	196,404,413
Building management income		
- Management fee income	80,082,406	82,541,738
- Car park fee income	9,016,322	10,646,259
- Other facilities income	20,905,537	21,141,387
	110,004,265	114,329,384
Income from hotel operation	124,446,836	126,468,735
Information technology facilities income	481,439	481,439
Broadband service and installation fees	2,603,177	3,237,349
Project income	252,374,550	-
Other incidental income	1,850,303	68,825
	<u>680,054,926</u>	<u>440,990,145</u>
<u>Other income</u>		
Interest income from held-to-maturity investments, net of amortisation of premium	9,656,393	16,271,226
Interest income from investments at fair value through profit or loss	4,367,602	8,111,601
Interest income on bank deposits	2,702,937	1,253,530
Net realised/unrealised gains on investments at fair value through profit or loss	4,161,489	2,108,451
	<u>20,888,421</u>	<u>27,744,808</u>

HONG KONG CYBERPORT DEVELOPMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year.

4. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives. The principal annual rates in use are as follows:

Buildings	Over the period of the lease
Building services and support facilities	10%
Information technology facilities	20%
Centres equipment	20% - 33 1/3%
Leasehold improvements	10%
Furniture and equipment	10% - 20%
Motor vehicles	20%

	Buildings held for rental and Hotel Building	Building services and support facilities	Information technology facilities	Centres equipment	Leasehold improvements	Furniture and equipment	Motor vehicles	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Cost								
At 31 March 2013	3,832,061,688	1,149,720,664	263,415,694	60,886,254	30,689,238	90,466,528	1,018,019	5,428,258,085
Additions	-	-	6,450,638	-	18,939,111	41,484,104	-	66,873,853
Disposals	-	(133,209)	(9,736,738)	-	(10,000)	(2,213,355)	-	(12,093,302)
At 31 March 2014	3,832,061,688	1,149,587,455	260,129,594	60,886,254	49,618,349	129,737,277	1,018,019	5,483,038,636
Additions	-	10,391,226	401,676	-	25,867,459	21,735,984	-	58,396,345
Disposals	-	-	(55,704)	-	-	(1,363,507)	-	(1,419,211)
At 31 March 2015	3,832,061,688	1,159,978,681	260,475,566	60,886,254	75,485,808	150,109,754	1,018,019	5,540,015,770
Accumulated depreciation								
At 31 March 2013	745,877,535	1,041,859,933	245,327,071	60,463,397	10,469,670	34,501,530	701,478	2,139,200,614
Charge for the year	83,098,299	73,181,510	5,844,680	370,033	3,499,179	13,382,566	122,001	179,498,268
Disposals	-	(125,438)	(9,736,738)	-	(10,000)	(1,955,641)	-	(11,827,817)
At 31 March 2014	828,975,834	1,114,916,005	241,435,013	60,833,430	13,958,849	45,928,455	823,479	2,306,871,065
Charge for the year	83,098,300	35,053,671	5,101,660	52,824	5,736,927	19,211,300	122,001	148,376,683
Disposals	-	-	(55,704)	-	-	(1,286,066)	-	(1,341,770)
At 31 March 2015	912,074,134	1,149,969,676	246,480,969	60,886,254	19,695,776	63,853,689	945,480	2,453,905,978
Net book value								
At 31 March 2014	3,003,085,854	34,671,450	18,694,581	52,824	35,659,500	83,808,822	194,540	3,176,167,571
At 31 March 2015	2,919,987,554	10,009,005	13,994,597	-	55,790,032	86,256,065	72,539	3,086,109,792

HONG KONG CYBERPORT DEVELOPMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. Development Maintenance Fund represents a fund received by the Group in accordance with the terms of the Project Agreement for the purpose of financing the upkeep and maintenance of the Shared Cyberport Facilities. On 1 August 2011, the final assessment for the fund was agreed to be \$451 million.

Upon acquisition of relevant assets for replacements, the costs of the acquired assets will be transferred from the Development Maintenance Fund account to the Capital Reserve account.

During the year, Shared Cyberport facilities of \$9,790,279 (2014: \$5,406,640) were acquired and funded by the Development Maintenance Fund. Accordingly, this amount has been transferred from the Development Maintenance Fund to Capital Reserve account in accordance with the Group's accounting policy.

6. Inventories, comprising food, beverage and operating supplies are stated at the lower of cost and net realisable value. Costs are calculated using weighted average costing method. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

7. Share capital

	2014 HK\$	2015 HK\$
Ordinary shares, issued & fully paid	<u>2</u>	<u>2</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

8. In accordance with the terms of the Project Agreement and the Sub-lease Agreement, property, plant and equipment were handed over to the Group, resulting in a capital reserve.

	2014 HK\$	2015 HK\$
At the beginning of the year	5,299,662,553	5,307,289,804
Transfer from Development Maintenance Fund (Note 5)	5,406,640	9,790,279
Transfer from Facilities Maintenance Fund (Note 10)	-	10,391,226
Handover of plant and equipment	2,220,611	177,410
At the end of the year	<u>5,307,289,804</u>	<u>5,327,648,719</u>

9. Accumulated losses carried forward

	2014 HK\$	2015 HK\$
Accumulated losses at the beginning of the year	(1,340,256,631)	(1,424,996,399)
(Loss)/Profit for the year	125,260,232	(59,998,294)
Dividends	(210,000,000)	-
Accumulated losses at the end of the year	<u>(1,424,996,399)</u>	<u>(1,484,994,693)</u>

HONG KONG CYBERPORT DEVELOPMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10. It represents a reserve fund allocated from the Project fund for the purpose of maintenance and upgrading of the Cyberport Portion. It will be transferred upon acquisition of the assets at the cost of the replaced assets, to the Capital Reserve account in accordance with the Group's accounting policy.

During the year, building services and support facilities of \$10,391,226 (2014: Nil) were acquired and funded by the Facilities Maintenance Fund. Accordingly, this amount has been transferred from the Facilities Maintenance Fund to Capital Reserve account.

11. Deferred income

Government grants and sponsorships are recognised when there is a reasonable assurance that the group will comply with the conditions attaching with it and that the grant will be received. Government grants and sponsorships relating to income are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs they are intended to compensate. Government grants and sponsorships relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

	Government Grant HK\$	Sponsorship HK\$	Total HK\$
<u>Cost</u>			
At 31 March 2013	2,248,501	786,442	3,034,943
Additions	220,423	-	220,423
Written-off of projects completed	(327,610)	-	(327,610)
At 31 March 2014	2,141,314	786,442	2,927,756
Additions	882,000	-	882,000
Written-off of projects completed	(2,141,314)	(786,442)	(2,927,756)
At 31 March 2015	882,000	-	882,000
<u>Accumulated amortisation</u>			
At 31 March 2013	(1,793,524)	(733,361)	(2,526,885)
Credited to statement of comprehensive income	(615,840)	(53,081)	(668,921)
Written-off of projects completed	327,610	-	327,610
At 31 March 2014	(2,081,754)	(786,442)	(2,868,196)
Credited to statement of comprehensive income	(289,839)	-	(289,839)
Written-off of projects completed	2,141,314	786,442	2,927,756
At 31 March 2015	(230,279)	-	(230,279)
<u>Carrying amount</u>			
At 31 March 2014	59,560	-	59,560
At 31 March 2015	651,721	-	651,721