

**立法會**  
***Legislative Council***

LC Paper No. CB(4)517/16-17  
(These minutes have been seen  
by the Administration)

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**Panel on Information Technology and Broadcasting**

**Minutes of meeting**  
**on Monday, 9 January 2017, at 2:30 pm**  
**in Conference Room 3 of the Legislative Council Complex**

**Members present** : Dr Hon Elizabeth QUAT, JP (Chairman)  
Hon Charles Peter MOK, JP (Deputy Chairman)  
Hon James TO Kun-sun  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon LEUNG Kwok-hung  
Hon Claudia MO  
Hon Steven HO Chun-yin, BBS  
Hon MA Fung-kwok, SBS, JP  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon Martin LIAO Cheung-kong, SBS, JP  
Dr Hon CHIANG Lai-wan, JP  
Hon CHU Hoi-dick  
Hon YUNG Hoi-yan  
Hon CHAN Chun-ying  
Hon Tanya CHAN  
Hon HUI Chi-fung

**Members absent** : Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Alvin YEUNG  
Hon Nathan LAW Kwun-chung

**Public officers attending** : Agenda item III

Commerce and Economic Development Bureau

Miss Susie HO, JP  
Permanent Secretary for Commerce and Economic  
Development (Communications and Creative  
Industries)

Ms Julina CHAN, JP  
Deputy Secretary for Commerce and Economic  
Development (Communications and Creative  
Industries)

Mr Jerry LIU  
Head of Create Hong Kong

Mr Patrick LEE  
Principal Assistant Secretary for Commerce and  
Economic Development (Communications and  
Creative Industries)B

Ms Fiona LAM  
Assistant Head of Create Hong Kong (1)

Mr Wellington FUNG  
Assistant Head of Create Hong Kong (2)

Agenda item IV

Innovation and Technology Bureau

Dr David CHUNG, JP  
Under Secretary for Innovation and Technology

Ir Allen YEUNG, JP  
Government Chief Information Officer

Mr Davey CHUNG, JP  
Deputy Government Chief Information Officer  
(Policy and Industry Development)

Mr Ricky CHONG  
Principal Assistant Secretary for Innovation and  
Technology

**Attendance by  
invitation**

: Agenda item IV

Hong Kong Cyberport Management Company  
Limited

Mr Herman LAM  
Chief Executive Officer

Ms Pagan WONG  
Chief Financial Officer

**Clerk in attendance**

: Mr Daniel SIN  
Chief Council Secretary (4)3

**Staff in attendance**

: Mr Ambrose LEUNG  
Senior Council Secretary (4)3

Ms Anki NG  
Council Secretary (4)3

Miss Mandy LAM  
Legislative Assistant (4)3

Action

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**I. Information paper(s) issued since the last meeting**

(LC Paper No. CB(4)314/16-17(01) -- Administration's letter to the Chairman and the press release on application for renewal of the domestic pay television programme service licence of Hong Kong Cable Television Limited

- LC Paper No. CB(4)325/16-17(01) -- Dr Hon YIU Chung-yim's letter dated 14 December 2016 on withdrawal of membership (Chinese version only)
- LC Paper No. CB(4)345/16-17(01) -- Hon Michael TIEN Puk-sun's letter dated 20 December 2016 on withdrawal of membership (Chinese version only)
- LC Paper No. CB(4)367/16-17(01) -- Hon WU Chi-wai's letter dated 28 December 2016 on withdrawal of membership (Chinese version only)
- LC Paper No. CB(4)390/16-17(01) -- Hon Dennis KWOK Wing-hang's letter dated 4 January 2017 on withdrawal of membership (Chinese version only))

Members noted that the above papers had been issued for the Panel's information.

## **II. Date of next meeting and items for discussion**

- (LC Paper No. CB(4)372/16-17(01) -- List of outstanding items for discussion
- LC Paper No. CB(4)372/16-17(02) -- List of follow-up actions)

### Policy briefing on 7 February 2017

2. The Chairman reminded members that a meeting would be held on Tuesday, 7 February 2017 at 4:30 pm to receive a briefing by the Secretary for Commerce and Economic Development and the Secretary for Innovation and Technology on relevant policy initiatives featuring in the Chief Executive's 2017 Policy Address.

Regular meeting on 13 February 2017

3. Members noted that the next regular Panel meeting would be held on Monday, 13 February 2017 at 2:30 pm to discuss the progress report on the work of Hong Kong Design Centre.

**III. Update on the work of Create Hong Kong**

(LC Paper No. CB(4)372/16-17(03) -- Administration's paper on update on the work of Create Hong Kong

LC Paper No. CB(4)372/16-17(04) -- Paper on the work of Create Hong Kong prepared by the Legislative Council Secretariat (Updated background brief))

Presentation by the Administration

4. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries) ("PSCCI") gave an introduction. She said that creative industries were instrumental to Hong Kong's economic development and business diversification, as well as creating employment opportunities. They also helped to raise Hong Kong's profile as a creative capital, bringing positive impact to Hong Kong as a whole. To this end, the Commerce and Economic Development Bureau ("CEDB") and Create Hong Kong ("CreateHK") worked closely with the industry and have dedicated significant public resources to support the development of creative industries. Head of CreateHK briefed members on the work of CreateHK in 2016. Details of the briefings were set out in the paper provided by the Administration (LC Paper No. CB(4)372/16-17(03)). The Administration also arranged a video presentation on selected highlights of the fashion initiatives implemented in 2016.

Discussion

*Value added of Hong Kong's creative industries*

5. Referring to the value added of Hong Kong's creative industries of

\$57 billion in 2015, Mr CHAN Chun-ying enquired about the breakdown of value added by the 11 cultural and creative sectors referred to in paragraph 2 of the Administration's paper (LC Paper No. CB(4)372/16-17(03)). Mr CHAN said that the breakdown should show the proportion of value added contributed by different sectors and such information would assist the Administration in formulating proportional supportive measures for respective sectors.

6. PSCCI advised that the design, digital entertainment and architecture sectors of creative industries had recorded significant growth in value added in recent years. At the request of Mr CHAN Chun-ying, the Administration agreed to provide a breakdown of the value added of Hong Kong's creative industries in 2015 by 11 cultural and creative sectors.

*Performance assessment*

7. Mr Charles Peter MOK expressed support for the work of CreateHK. He enquired about the setting of key performance indicators ("KPIs") for assessing the Government's initiatives in promoting creative industries, including nurturing talent and start-up, market development and promoting cross-sectoral and cross-territorial collaboration. He suggested that the Administration might keep track on trends of increase in employment and economic contribution, and conduct survey on stakeholders' views to gain a more comprehensive view on resource allocation for assisting in the development of creative industries.

8. Head of CreateHK agreed that the tracking of trends such as increase in employment and economic contribution was useful and important. The Administration had started to monitor the tracking of graduates of the Design Incubation Programme ("DIP") including recording changes in the number of staff members and sales revenue of the start-ups concerned. The Administration would consider using new tracking models for assisting in the development of creative industries. Mr Charles Peter MOK suggested that the Administration might also consider engaging consultants to advise on setting KPIs and tracking models.

9. Mr MA Fung-kwok enquired whether the Administration would take more pro-active measures (in addition to providing funding support) to assist creative industries in planning for the future development in Hong Kong. These pro-active measures might include conducting researches and preparing analyses on the economic conditions of Hong Kong and the advantages of those industries, and implementing tailor-made development schemes in response to the research result and analyses. PSCCI advised that through the CreateSmart Initiative ("CSI"), CreateHK provided funding support to programmes and events initiated by the trade and relevant stakeholders to drive the development and promotion of

Hong Kong's creative industries. CreateHK worked closely with the industry which were in the best position to map out their future according to their own development needs, and the Administration would provide relevant funding support to meet such needs.

10. PSCCI added that when assessing the performance of the programmes provided by CreateHK in meeting the development targets, the Administration would review from the relevant policy perspectives how to assist in the further development of those industries. The Administration would also conduct necessary researches and analyses on related areas in response to the needs of the industry.

*Support for the film sector*

11. Referring to paragraph 5 of the Administration's paper (LC Paper No. CB(4)372/16-17(03)), Mr CHAN Chun-ying enquired about performance indicators, such as box office receipts and awards received, for film projects supported by the Film Development Fund ("FDF") as at end December 2016. PSCCI advised that box office receipts was only one of the performance indicators showing the results of the projects supported by FDF. FDF supported film productions for commercial release through the Film Production Financing Scheme ("FPFS"), the Film Production Grant Scheme ("FPGS") and the First Feature Film Initiative ("FFFI"). Under FPFS, the Government's contribution of financial support was up to a certain percentage of the approved budget or the actual production cost of small-to-medium film productions. FPGS was launched on a pilot basis for two years under FDF in November 2015 to provide subsidies to small-budget film productions with direct grant. FFFI was first launched in 2013 on a pilot basis as a talent nurturing initiative to groom new film directors by fully subsidizing the production of their first feature-length films for commercial release.

Admin 12. PSCCI added that the box office receipts of the 26 film production projects supported by FDF varied, and the Government's funding support through CreateHK had continued to encourage more local film productions for commercial release. At the request of Mr CHAN Chun-ying, the Administration agreed to provide information regarding the performance indicators for assessing the effectiveness of the film-related projects supported by FDF, such as box office receipts, since the establishment of CreateHK in June 2009.

13. Mr CHAN Chi-chuen enquired about the number of local films produced in recent years. Referring to Annex 1 of the Administration's paper (LC Paper No. CB(4)372/16-17(03)), Mr CHAN expressed concern about the reasons for the large decrease in the number of film projects approved and the total amount

approved under FDF in 2016 when compared to 2014 and 2015. Ms Claudia MO shared a similar concern. Mr CHAN also enquired whether the funding provided under FDF was sufficient for meeting the applications, the reasons for including a commercial element in films supported by FDF and whether reviews on the criteria for meeting FFFI support would be conducted to cover films other than commercial films, such as documentaries.

14. Head of CreateHK advised that the number of local films theatrically released had increased from some 50 odd in 2014 to 61 in 2015, including co-production films. On the reasons for the decrease in the number of film projects approved under FDF in 2016, Head of CreateHK advised that 2015 had been a fruitful year when compared to 2014 in terms of the number of approved funding applications submitted by key industry organizations under FDF. As a cyclical phenomenon, the number of applications and amount approved under FDF in 2016 was apparently lower than that in the previous year because some of these organizations were working on projects approved in 2015. Regarding the review of FFFI, Head of CreateHK advised that the amount of funding support provided under FFFI for the Higher Education Institution Group had increased from \$2 million to \$3.25 million per film from the second edition onwards, having regard to the experience of the first edition. The fact that commercial elements of films supported by FDF were emphasised had its historical background given that the number of commercial films was relatively small when FPFS was launched under FDF in 2007. A major review on the operation of FDF was targeted to be conducted in 2018 which would cover the types of films supported by FDF.

15. In response to Ms Claudia MO's enquiry whether political censorship had been applied in vetting applications under FDF where such film projects featured politically sensitive issues, PSCCI advised that no political censorship had been applied and the FDF applications were assessed and approved by panels of professionals drawn largely from the film industry. Head of CreateHK supplemented that as reflected in Annex 1 of the Administration's paper (LC Paper No. CB(4)372/16-17(03)), the number of applications approved under FDF covered only those film-related projects, such as film screenings and surveys, which were considered separately from the film production projects. The relatively low number of film-related projects approved in 2016 did not necessarily affect the number of film productions funded by FDF.

16. Noting in paragraph 14 of the Administration's paper (LC Paper No. CB(4)372/16-17(03)) that only one application was received by CreateHK for subsidy of Hong Kong-produced Cantonese movies distributed in the Mainland since the introduction of the enhanced support measure on 1 July 2016, Mr LEUNG Kwok-hung enquired about the reasons for the small number of application received and whether that single application had been approved.



Head of CreateHK advised that the application was still being processed. As the enhanced support measure had only been introduced for a few months, the number of applications was expected to increase in future.

17. Assistant Head of CreateHK(2) supplemented that applicants who intended to receive benefit from the subsidy covering expenses incurred for sales and distribution ("S&D") of Hong Kong-produced Cantonese movies distributed in the Mainland should gather all relevant receipts on expenses, etc., before submitting applications to CreateHK. A total of four applications for subsidy had been approved before the enhanced support measure was introduced on 1 July 2016, and about four movies had been screened in Guangdong in 2016. Some filmmakers had chosen to sell-off the copyright of their movies to Chinese film distributors, and those filmmakers needed not apply for the subsidy as the S&D expenditure would then be incurred solely by those distributors.

18. In response to Mr LEUNG Kwok-hung's further enquiry, Assistant Head of CreateHK(2) said that distributors in Guangdong normally required Hong Kong filmmakers to pledge at least RMB 400,000 as S&D expenses given the relatively high commercial risks of distributing Hong Kong-produced movies vis-à-vis co-productions or Mainland domestic productions. The subsidy of \$500,000 per film would allow filmmakers to cover such expenses and would lower the entry threshold for the film to be screened in Mainland cinemas. With the subsidy, Hong Kong filmmakers who produced small-to-medium budget projects might opt to go for the Mainland market. Head of CreateHK further advised that whether to apply for the subsidy to cover S&D expenses was a commercial decision to be made by filmmakers, who might also opt for selling-off the copyright to Chinese film companies to mitigate the distribution risk. Mr LEUNG Kwok-hung urged the Administration to provide more support to the film industry.

#### *Nurturing talents and facilitating start-ups*

19. In response to Mr MA Fung-kwok's enquiry about the Administration's efforts in nurturing talents for the publishing industry, Head of CreateHK advised that CreateHK had previously suggested to the Education Bureau that bachelor education programmes in publishing and printing be provided. The Administration would continue to assist local creative industries in nurturing talents, including the publishing and printing sector.

20. Ms YUNG Hoi-yan enquired, apart from providing funding support, whether CreateHK would consider implementing other measures to facilitate start-ups such as arranging matching schemes and inviting experienced business enterprises to hold training sessions on commerce, law, finance and financial

planning, and building platforms for potential investors to meet with start-ups, etc.. She also enquired about the financial support provided to creative industry start-ups and the enhancement of cross-territorial collaboration schemes for the music sector to broaden the exposure and connection of local music talents. Regarding nurturing talents in the music sector, Ms YUNG Hoi-yan enquired about the promotion work of the Ear Up Record Label Creation & Incubation Programme ("EURLCIP") which provided funding support for training on the development of independent/small and medium enterprise labels.

21. Regarding mentorship support for start-ups, Head of CreateHK advised that structured incubation support covering training on commerce, law, copyright and finance had been provided by the two-year programme under DIP. Resources had also been earmarked for the Fashion Incubation Programme to be launched by the Hong Kong Design Centre. As regards capital funding, FinTech companies and venture capital were not keen to invest in start-ups of creative industries at the present stage as their Initial Public Offering prospects were not high when compared to research and technology start-ups. For the music sector, Head of CreateHK advised that promotion work on EURLCIP largely focused on social media on the Internet but CreateHK would remind the programme organizer to enhance promotion through traditional media.

*Other issues*

22. Ms Claudia MO enquired whether CreateHK had been consulted on details of technological projects to be initiated in the Lok Ma Chau Loop ("the Loop") innovation and technology park recently announced by the Government. She also enquired about the Administration's response to the views of some information and technology ("IT") professionals that the geographical location of the Loop was too remote and insufficient supporting facilities were available for developing the Loop. PSCCI advised that insofar as the Loop development plan was concerned, higher education, research and development of new high technology would be the main elements whereas cultural and creative industries would be included as ancillary feature. The development planning process was an interactive one. Relevant bureaux and departments would be further consulted on details of the relevant projects in due course.

23. PSCCI supplemented that it was perceived that the Loop offered excellent development potential that would mutually benefit Hong Kong and Shenzhen, and the development of the Loop could also consolidate and strengthen the strategic position of the two cities in the Pan-Pearl River Delta regional cooperation framework. The development of the Loop should provide ample business opportunities to the relevant industries.

24. Noting the Administration's efforts in supporting the development of creative industries through different programmes such as CSI, FDF and fashion design initiatives, the Chairman enquired about the measures to be taken by the Administration in supporting other design sectors. She also enquired about the Administration's policy regarding support for literature composition and comics. Head of CreateHK advised that further details of CreateHK's work in 2016 to promote design, such as the Business of Design Week and DIP which related to the work of Hong Kong Design Centre ("HKDC"), would be covered under a separate agenda item on the work of HKDC at the next regular Panel meeting.

25. Regarding support for literature composition, PSCCI advised that CreateHK's focus was on supporting creative industries, and literature composition was more related to literary art or the culture sector, which fell outside CEDB. CreateHK would continue to provide support to the publishing industry. On comics, CreateHK would continue to sponsor activities relating to animation and comics ("ani-com") to provide more exposure opportunities through workshops, exhibitions and award programmes, and to match the ani-com sector with the advertising industry for business development. The Chairman urged the Administration to consider implementing measures for transforming comics into ani-com for further development.

#### **IV. Update on the work of Cyberport in nurturing the Information and Communications Technology Ecosystem in Hong Kong**

(LC Paper No. CB(4)372/16-17(05) -- Administration's paper on the work of Cyberport in nurturing the Information and Communications Technology Ecosystem in Hong Kong

LC Paper No. CB(4)372/16-17(06) -- Paper on Cyberport prepared by the Legislative Council Secretariat (Updated background brief)

LC Paper No. CB(4)398/16-17(01) -- Administration's paper on  
(tabled at the meeting and the role of Cyberport in  
subsequently issued via e-mail on nurturing the information  
9 January 2017) and communications  
technology ecosystem in  
Hong Kong (power-point  
presentation materials)  
(Chinese version only))

Presentation by the Administration

26. At the invitation of the Chairman, Under Secretary for Innovation and Technology ("US for IT") and the Chief Executive Officer of the Hong Kong Cyberport Management Company Limited ("CEO/HKCMCL") briefed members on the role of Cyberport in nurturing the information and communications technology ("ICT") ecosystem in Hong Kong and its latest work progress. Details of the briefing were set out in the paper provided by the Administration (LC Paper No. CB(4)372/16-17(05)) and LC Paper No. CB(4)398/16-17(01). The Cyberport Management also arranged a video presentation on the update on the work of Cyberport.

Discussion

27. Mr CHAN Chun-ying commended Cyberport in nurturing the ICT ecosystem in Hong Kong. He commented that he had received feedback that local universities placed too much emphasis on students' ability on languages and mathematics when considering their admission, overlooking the importance of other science subjects. Mr CHAN suggested that a feedback mechanism should be developed so that Cyberport would channel to local tertiary institutions any opinion and ideas received related to the range of knowledge expected of local students in pursuing a career in technology, and these institutions could take them into consideration when developing their curricula. CEO/HKCMCL said that Cyberport had engaged local education institutions on training needs. He said that many local institutions had already launched programmes in FinTech and coding, which were popular among students.

28. Mr CHAN Chung-ying observed that only a few companies in Cyberport had been able to attract investment from major corporations. Mr CHAN suggested that Cyberport should organize sharing sessions regularly so that these companies could share the skills and experience in attracting investment with other start-ups. CEO/HKCMCL said that at present, more than 80 Cyberport start-up projects received funding from private investors. To assist its start-ups to attract investments from large corporations, Cyberport had organized training and

experience sharing sessions, and assisted the start-ups to build up investment networks.

29. Mr Charles Peter MOK said that in other countries such as Singapore, construction of hardware infrastructure and provision of support services for start-ups were undertaken by two separate organizations. In Hong Kong, however, given the similarity in the scope of work and functions of Cyberport and the Hong Kong Science and Technology Parks Corporation ("HKSTPC"), Mr MOK asked whether the Administration had fostered collaboration between these two organizations so as to create synergy and to ensure the best use of resources in providing support to the innovation and technology ("I&T") sector. Mr MOK also asked if the Administration might, as an alternative, consider merging Cyberport and HKSTPC to achieve the common objective of promoting I&T in Hong Kong.

30. US for IT said that the role and work of Cyberport and HKSTPC were well-defined. While Cyberport mainly focused on ICT development, HKSTPC had a greater emphasis on research and development covering a wide range of technologies such as biotechnology. US for IT supplemented that Cyberport provided support to both on-site and off-site incubatees whereas HKSTPC mainly targeted on-site incubatees. US for IT said that Cyberport and HKSTPC cooperated with each other closely, especially in the areas of FinTech and e-commerce. With Cyberport's new three-year strategic plan, it would play a more strategic role in driving ICT development and supporting the efforts of the Innovation and Technology Bureau in contributing to the long-term economic development of Hong Kong.

31. Ms YUNG Hoi-yan expressed concern about the drain of local ICT talents to other places such as Shenzhen where more favourable conditions were offered to attract ICT talents. Ms YUNG asked whether the Government would take the lead to adopt the products developed by incubatees. US for IT said that the Administration had launched various new measures and enhanced existing measures in supporting start-ups in Hong Kong. For instance, the Administration had enhanced the Public Sector Trial Scheme to provide funding support for the production of prototypes and conducting of trial in the public sector. US for IT added that the scope of the scheme had been widened to cover the incubatees of Cyberport and HKSTPC.

32. Ms YUNG Hoi-yan said that the number of interns who had participated in Cyberport's Mainland/overseas internship programmes in 2016 was rather small. She asked if Cyberport would expand the programme so that more young people could benefit from gaining working experience in the ICT industry. CEO/HKCMCL said that over the past few years, Cyberport had increased the

number of internship places in response to market demand. He added that Cyberport had also introduced the Cyberport University Partnership Programme which would sponsor 300 university students to join FinTech training camps in overseas universities in the coming five years. CEO/HKCMCL said that the internship/training opportunities for young people would continue to increase in future.

33. The Chairman said that she had received feedback from some FinTech companies in Hong Kong that, despite the Administration's policy intent to promote the development of I&T, some legislation might not be able to incorporate changes in technologies. She asked if Cyberport would play a more active role in reviewing relevant legislation and make recommendations to the Administration on changes that needed to be effected to improve the operating environment for new technology start-ups.

34. CEO/HKCMCL said that Cyberport had maintained regular dialogues with regulators (namely, the Hong Kong Monetary Authority, the Securities and Futures Commission and the Office of the Commissioner of Insurance) and the relevant stakeholders, so that the authorities concerned would understand the needs and concerns of the FinTech sector. Government Chief Information Officer said that the Office of the Government Chief Information Officer ("OGCIO") had from time to time received views and suggestions from the industry on various issues related to ICT. For example, OGCIO was now conducting a study on Smart City and received comments some of which involved legislative changes. Where appropriate, OGCIO would relay those comments to the relevant authority in the Administration for further consideration.

**V. Any other business**

35. There being no other business, the meeting ended at 4:16 pm.