

香港特別行政區政府

創新及科技局

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INNOVATION AND TECHNOLOGY BUREAU

THE GOVERNMENT OF THE HONG KONG  
SPECIAL ADMINISTRATIVE REGION

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**By email**

20 August 2021

Mr Daniel SIN  
Clerk to Panel  
Legislative Council Panel on Information Technology and Broadcasting  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

Dear Mr Sin,

**Legislative Council Panel on Information Technology and Broadcasting  
Supplementary information requested at the meeting held on 10 May 2021**

At the panel meeting on 10 May 2021, members requested the Government to provide supplementary information on the Cyberport Academy; the benefits of the expansion project to the development of electronic sports (“e-sports”); encouraging small and medium enterprises (“SMEs”) to support the development of smart living; and the financial situation of Cyberport. Our reply is set out in the ensuing paragraphs –

**(a) Cyberport Academy**

Cyberport has launched the platform of Cyberport Academy in 2020 to consolidate the relevant training resources, seminars and workshops to further cultivate start-ups, industry practitioners and youth. The Cyberport Academy actively supports primary and secondary school students through youth development activities, including visits to Cyberport, providing venues for technology education events, and encouraging schools to adopt education technology in technology education by matching them with related start-ups etc. Cyberport also plans to upload training materials onto the website of the Cyberport Academy for public reference. Cyberport will continue to explore

opening up more training resources on innovation and technology (“I&T”), including but not limited to contents related to cloud technology, for the use of students and the public through Cyberport Academy’s online platform.

**(b) Benefits to the development of e-sports**

Through the expansion project, Cyberport will be able to provide more office and co-working space for start-ups to develop, including those in the e-sports industry. Cyberport 5 also will provide a multi-function hall which can accommodate up to 800 persons. This would enable the hosting of large-scale conferences, exhibitions and other events related to the e-sports industry.

**(c) Encourage more SMEs to support the development of smart living**

In line with the development of a smart city, Cyberport currently has over 250 social innovation start-ups covering areas of education technology, healthcare technology, environment and smart mobility etc. Most of these start-ups are SMEs. Part of the floor space of the new office building will be designated as the smart living demonstration hall for the demonstration of I&T applications. Separately, Cyberport will actively introduce facilities and services with smart living elements in both the existing campus and Cyberport 5, which serves as a platform for start-ups to display and apply smart living solutions.

Furthermore, the Smart City Blueprint for Hong Kong 2.0 released by the Government in December 2020 also included initiatives to facilitate SMEs and start-ups to participate in government procurement and take forward smart city development. For instance, the Office of the Government Chief Information Officer established the Smart Government Innovation Lab (“Smart Lab”) in April 2019, inviting the industry to provide solutions to meet the business needs of government departments with a view to expediting the adoption of information technology (“IT”) applications to improve public services and promote smart city development. In conjunction with the pro-innovation government procurement policy which was launched at the same time, the Smart Lab also creates more business opportunities for local industries, especially SMEs and start-ups.

The Smart Lab has matched the business needs of 44 departments with potential solutions since its establishment, and in the process, arranged 56 thematic workshops and proof-of-concept for more than 20 solutions with potentials in collaboration with relevant departments. The Smart Lab has also organised nine technology forums in collaboration with Cyberport, the Hong Kong Productivity Council and the Hong Kong Science Park, covering topics such as smart city infrastructure, smart mobility, blockchain, robotics technologies, 5G, remote work, open data and analytics etc., attracting over 3 000 participants from the Government and IT companies.

The Public Sector Trial Scheme (“PSTS”) under the Innovation and Technology Fund (“ITF”) supports public sector bodies (including government departments) to try out new technologies or products, which are developed from ITF-funded projects and by incubatees / graduate tenants of the Hong Kong Science and Technology Parks Corporation and Cyberport, as well as other technology companies conducting research and development (“R&D”) activities in Hong Kong. The aim of PSTS is to assist relevant enterprises/organisations to apply local R&D outcomes to local use and enhance the prospects of realisation and commercialisation. As at end June 2021, PSTS has funded 358 projects with total funding of around \$680 million, benefitting over 170 organisations.

On the other hand, the Technology Voucher Programme (“TVP”) under ITF subsidises eligible local enterprises and organisations to use technology services and solutions to improve their productivity, or to upgrade/transform their business processes. As at end June 2021, the TVP has approved a total of 4 194 applications, involving a total funding amount of about \$660 million and representing a success rate of about 94%.

The Government also launched the Distance Business Programme (“D-Biz”) under Anti-epidemic Fund 2.0 to support enterprises to continue their business and services during the epidemic through the adoption of IT solutions such as online business, digital payment, virtual meetings, remote document management etc. Of the 38 572 applications received under D-Biz, 35 000 were approved. As at 28 June 2021, after excluding cases where the enterprises did not accept the application results or provide relevant documents upon approval of their applications, there were 25 602 approved applications involving a total funding amount of around \$1.7 billion.

Furthermore, with a view to driving government departments to apply I&T for better public services and promoting smart city development, the Efficiency Office (“EffO”) co-organised two I&T Trade Shows in 2019 and 2020 and an I&T Solution Day in 2021 with the I&T sector to showcase the latest I&T solutions of various SMEs and start-ups sourced through the Hong Kong Science Park, Cyberport and other platforms. Multiple sessions of one-on-one business matching were also arranged for interested departments to facilitate a more in-depth understanding and adoption of I&T solutions for improving service quality. EffO will continue to organise similar events.

#### **(d) Financial situation of Cyberport**

Cyberport has been operating in accordance with prudent commercial principles to maintain its sound financial position. Cyberport’s rental and hotel

revenues have all along been able to not only cover its operating expenses, but also bring in a small surplus which is placed in its reserve in case of need. In the past two years, the revenues of Cyberport and its hotel have witnessed a drop due to the impacts of social events and the epidemic. As a result, Cyberport incurred operating losses in 2019-20 and 2020-21, calling for a need to draw on its reserve. In addition, Cyberport provided three rounds of rental concessions to its tenants and start-ups from 2019 to 2021, of which two rounds totalling \$100 million were paid from Cyberport's reserve. Looking to the future, as the epidemic stabilises and hotel operations resume subsequent to its renovation, it is anticipated that hotel and rental revenues will rise steadily and Cyberport will be able to become self-financing. The financial projection for Cyberport in the next five years is provided at **Annex**.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'FUNG Long-yin', with a long horizontal stroke extending to the right.

(FUNG Long-yin )

for Secretary for Innovation and Technology

**Forecast of Cyberport's financial situation for the next five years**  
(\$ million)

Year	2021/22	2022/23	2023/24	2024/25	2025/26
	1	2	3	4	5
Revenue	515	608	639	651	662
Operating expenses (including public mission activities expenses)	(551)	(599)	(621)	(612)	(630)
Operating profit/(loss) before depreciation	(57) <sup>1</sup>	9	18	39	32

<sup>1</sup> We anticipate that in 2021-22, Cyberport will continue to incur a loss as the epidemic persists and the hotel undergoes renovation. As the epidemic stabilises and the hotel resumes operations in 2022, we anticipate that Cyberport's financial situation will improve.