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HONG KONG

THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION

INNOVATION AND TECHNOLOGY BUREAU

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20/F, West Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong

By email

7 December 2018

Mr Desmond LAM
Clerk to Panel on Commerce and Industry
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr LAM,

Panel on Commerce and Industry Meeting on 17 July 2018

Latest development of the Hong Kong Science Park and industrial estates, and the Administration's measures to support re-industrialisation

At the meeting on 17 July 2018, the Government was requested to provide additional information on the subject agenda item. Having consulted relevant bureaux/departments, the Government's reply is enclosed herewith for Members' reference.

Yours sincerely,

(Ricky CHONG) for Secretary for Innovation and Technology

c.c. Commissioner for Innovation and Technology (Attn.: Mr WONG Wang Wah)

Panel on Commerce and Industry Meeting on 17 July 2018

Latest development of the Hong Kong Science Park and industrial estates, and the Administration's measures to support re-industrialisation

On-going Assistance for Incubation Graduates under the Incubation Programmes of Hong Kong Science and Technology Parks Corporation

The Hong Kong Science and Technology Parks Corporation ("HKSTPC") endeavours to nurture innovation and technology ("I&T") start-ups. Apart from the existing incubation programmes, HKSTPC also provides supports in multiple aspects to its start-ups, including incubation graduates.

- 2. HKSTPC launched in 2014 the Leading Enterprises Acceleration Programme ("LEAP") to provide high potential incubatees, incubation graduates and tenants with business expansion and management support, including strategy consultation, business corporate development, and fund raising support, etc. Currently 22 companies are enrolled in LEAP and 13 have graduated.
- 3. To facilitate the commercialisation of research and development ("R&D") results of start-ups and incubation graduates, HKSTPC launched the Global Acceleration Academy ("GAA") in April 2017 in collaboration with industry leaders to provide participating enterprises with workshops and advice, assisting them to develop under specific themes products that serve the needs of the industry. Their end-products will be showcased to potential business partners and investors. Since its inception, GAA has hosted 11 cohorts on various themes such as Digital Health, Logistics Tech, Artificial Intelligence, Smart Mall, Robotics technology, etc., supporting over 70 enterprises.
- 4. Separately, to assist I&T start-ups in their early stage of business development, HKSTPC implements the Corporate Venture Fund ("CVF") to co-invest with angel investors or venture capital funds on a matching basis in tenants residing in the Hong Kong Science Park ("Science Park"), current incubatees and incubation graduates. The initial fund of \$50 million allocated in 2015 has been entirely committed in nine investment cases, attracting more than \$673 million from co-investors. HKSTPC will expand CVF shortly with part of the Government's funding of \$10 billion to continue its operation.

5. In addition to the programmes mentioned above, in 2017-18, HKSTPC also provided business consulting and fund raising support to over 470 companies including incubatees, incubation graduates, tenants, as well as entrepreneurs referred by its TechnoPreneur Partnership Programme ("TPP") partners¹, among them over 110 are incubation graduates. More than 150 local and overseas one-on-one or cohort investment matchings were organised over the year, raising a total of \$2.2 billion investment fund for the incubatees, incubation graduates and LEAP members.

Enhancement of Public Transport Facilities connecting to HKSP and Industrial Estates

- 6. At present, there are a number of franchised bus/Mass Transit Railway ("MTR") feeder bus and green minibus ("GMB") services connecting the Science Park and the three industrial estates ("IEs") to nearby MTR stations and different districts. Details are set out below
 - (a) Science Park: a total of 12 franchised bus routes, 3 GMB routes and 25 shuttle bus routes connecting to the University Station and various districts in Kowloon and the New Territories;
 - (b) Yuen Long IE: a MTR feeder bus route (MTRC Route K68) connecting to Yuen Long Park via Long Ping Station, and 2 GMB routes in Yuen Long and 18 shuttle bus routes connecting to various districts in Kowloon, the New Territories and Hong Kong Island;
 - (c) Tseung Kwan O IE: 5 franchised bus routes and 1 GMB route connecting to four MTR stations² and Kowloon; and
 - (d) Tai Po IE: 5 franchised bus routes and 2 GMB routes connecting to various districts in the New Territories, including the Tai Po Market, Tai Wai, Fanling, Ma On Shan, Wu Kai Sha and Tin Shui Wai.

¹ TPP was launched in November 2014 with an aim to nurture Hong Kong's technology start-ups and to encourage entrepreneurship. Under the programme, HKSTPC has teamed up with local universities, accelerators, co-working spaces, and key players in the start-up community to share support services, technical expertise, resources, and facilitate networking.

² Including the Hang Hau Station, Tseung Kwan O Station, Tsuen Wan West Station and LOHAS Park Station.

- 7. The Government and HKSTPC have been working closely to enhance the transport services for the Science Park and IEs. Having regard to the increased passenger demand, the relevant transport services have been enhanced progressively, for example
 - (a) increased the frequency of Kowloon Motor Bus ("KMB") Route 271B (plying between Tsim Sha Tsui and Tai Po (Fu Heng) via Science Park), Route 272S (plying between Diamond Hill Station and Science Park) and Route 43P (plying between Tsuen Wan West Station and Science Park) from March and April 2018;
 - (b) introduced KMB Route 263A (plying between Tuen Mun Station and Science Park) to provide peak-hour service from April 2018;
 - (c) converted the one-way service of GMB Route 27B (plying between Sha Tin and Pak Shek Kok) in morning peak and evening peak to two-way service from July 2018; and
 - (d) advanced the operating hours of KMB Route 272A (plying between University Station and Pak Shek Kok) and GMB Route 27B to start at 6:30 am from August 2018.
- 8. Based on the settled Route Planning Programme of 2017-18 and 2018-19, franchised bus companies will further strengthen its transport service connecting to the Science Park and the IEs, including increasing the frequency of service during peak hours and introducing new service routes. The enhancement measures are expected to be implemented from end 2018 to Q3 2019.
- 9. Apart from enhancing public transport service, the Transport Department has worked out a proposal to re-arrange the traffic facilities at the public transport interchange at the University Station, and will consult relevant stakeholders in due course. In addition, HKSTPC will use part of the \$10 billion funding from the Government to improve the transport infrastructure in the Science Park.
- 10. The Government and HKSTPC will closely monitor the transport demand of the Science Park and IEs, and introduce appropriate adjustments having regard to the demand.

Provision of Premises and Land for R&D Activities

- 11. To address the demand from the industry, HKSTPC commenced Stage 1 of the Science Park Expansion Programme in August 2016 to construct two buildings of 14-storey and 15-storey respectively. Upon its completion in 2019, the gross floor area ("GFA") of the Science Park will increase to 400 000 square metres, thereby making available more space for R&D activities. In addition, HKSTPC is developing the Data Technology Hub ("DT Hub") and the Advanced Manufacturing Centre ("AMC") in the Tseung Kwan O IE, which are expected to be completed in 2020 and 2022 respectively. with a GFA of about 27 000 square metres, is a purpose-designed infrastructure for data technology and telecommunications services, providing general supporting facilities, including business centre, showcase arena and offices, etc. The AMC, with a GFA of about 108 600 square metres, will focus on the development of selected high value-added manufacturing industries with extended activities such as R&D, logistics support, prototyping and design, etc. In addition, it is proposed in the Chief Executive's 2018 Policy Address that an additional allocation of \$2 billion be provided to HKSTPC for building manufacturing facilities required by the dedicated advanced manufacturing sectors in IEs, so as to provide suitable premises for manufacturers to set up production base in Hong Kong.
- 12. The Government understands the demand from the industry for R&D facilities with special provisions. In this regard, the Government announced in the 2018-19 Budget to allocate funding for HKSTPC to provide facilities for supporting research of healthcare and artificial intelligence/robotics technologies. These facilities include, for instance, pilot batch production facility, animal research facility and drug safety centre, and robot standard testing laboratory, etc. The funding proposal was approved by the Finance Committee of the Legislative Council in July 2018.
- 13. The Government has been actively identifying land to dovetail with the development of I&T in order to provide the necessary operating space for the development of the sector. At present, there are a total of 229.3 hectares of land granted or reserved for I&T uses (including: 97.8 hectares of land granted to HKSTPC, or to be granted to HKSTPC with development concept or the development of the Lok Ma Chau Loop ("the Loop"); 26.5 hectares of land approved for I&T uses under Outline Zoning Plans; and 105 hectares of land reserved for I&T uses but are subject to further study). The Government will review from time to time the demand of land for I&T development having regard to the latest situation.

14. The above mentioned sites include the 87-hectare site for the development of the Hong Kong-Shenzhen Innovation and Technology Park ("the Park") in the Loop The Park will be set up as a key base for scientific research collaboration with related higher education, cultural and creative and other complementary facilities to attract top-notch enterprises, research institutions and higher education institutes from overseas and the Mainland to establish presence. The construction contract of the advanced works and the consultancy contract of the detailed design and site investigation of the Main Works Package 1 of the Loop were commenced in June and September 2018 respectively. It is expected that the first batch of land parcels will be made available by 2021 or earlier for constructing buildings and related facilities.

Reviewing Existing Legislation and Regulations; Benefitting Elderly and the Underprivileged Group with I&T

- 15. The Policy Innovation and Co-ordination Office ("PICO") is now reviewing existing legislation and regulations, so as to remove outdated provisions that impede the development of I&T. PICO is consulting stakeholders and the relevant sectors and sorting out the scope for the review.
- 16. Meanwhile, the Government has been, through the R&D centres under the Innovation and Technology Commission and the Innovation and Technology Fund, encouraging the industry to develop technologies that could benefit the elderly and the underprivileged groups. Some of the R&D discoveries have successfully undergone commercialisation. For example
 - (a) Three R&D Centres, including the Logistics and Supply Chain MultiTech R&D Centre ("LSCM"), Hong Kong Research Institute of Textiles and Apparel ("HKRITA"), and Hong Kong Applied Science and Technology Research Institute have collaborated with the Tung Wah Group of Hospitals ("TWGHs") to develop a comfortable vest jacket with a radio-frequency identification tracking system for elderly with brain degenerative illness such as Alzheimer, which assists the staff of the elderly centres in taking care of the elderly in a more efficient manner;
 - (b) HKRITA has developed bio-functional socks for the elderly with advanced technologies that can keep the foot warm, moist, and reduce bacterial reproduction. HKRITA has also made use of chitosan yarn to produce antibacterial handkerchiefs. The Hong Kong Council of Social Service has procured these products for

distribution to the elderly attending the Gerontech and Innovation Expo 2017;

- (c) LSCM has developed the Infrared Thermal Sensing System, which can effectively collect data of the elderly's daily behaviour for analysis while protecting their privacy, and detect whether there is any home accident. When the elderly experiences an abnormal situation, an alert will be sent directly to the default notification units (e.g. family, social worker) by the system. The system has been implemented in the TWGHs Jockey Club Rehabilitation Complex;
- (d) A start-up associated with the Polytechnic University of Hong Kong, funded by the Technology Start-up Support Scheme for Universities ("TSSSU"), has developed a self-service, interactive cognitive assessment system that can automatically assess the cognitive state of elderly patients through interactive games. This system also helps reduce the waiting time of cognitive disorder assessment. The system is now being used by over 10 local customers and partnering organisations, including public hospitals, health services and medical organisations, elderly centres, etc.; and
- (e) A start-up associated with the Chinese University of Hong Kong, funded by TSSSU, has developed a small intelligent box with camera that enables elderly patients to communicate at home with their physiotherapists, and carry out rehabilitation training under the latter's remote monitoring. This system, which reduces commuting costs and time of the elderly, has been tested in three rehabilitation centres as well as the homes of some chronic stroke patients.

Innovation and Technology Bureau Innovation and Technology Commission December 2018