立法會 Legislative Council

LC Paper No. CB(1)1257/20-21

(These minutes have been seen by the Administration)

Ref : CB1/PL/ITB

Panel on Information Technology and Broadcasting

Minutes of meeting held on Monday, 10 May 2021, at 3:00 pm in Conference Room 3 of the Legislative Council Complex

Members present :	Dr Hon Junius HO Kwan-yiu, JP (Chairman) Hon CHAN Kin-por, GBS, JP (Deputy Chairman) Hon WONG Ting-kwong, GBS, JP Hon Michael TIEN Puk-sun, BBS, JP Hon MA Fung-kwok, GBS, JP Hon CHAN Han-pan, BBS, JP Hon Elizabeth QUAT, BBS, JP Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon CHUNG Kwok-pan Hon SHIU Ka-fai, JP Hon YUNG Hoi-yan, JP
Member absent :	Hon Martin LIAO Cheung-kong, GBS, JP
Public officers : attending	Agenda item III Innovation and Technology Bureau
	Mr Alfred SIT Wing-hang, JP Secretary for Innovation and Technology
	Ms Annie CHOI Suk-han, JP Permanent Secretary for Innovation and Technology

Ms Eva YAM Ya-ling	
Deputy Secretary for Innovation and Technology (2)
(Acting)	

Hong Kong Cyberport Management Company Limited

Mr Peter YAN King-shun, JP Chief Executive Officer

Mr Eric CHAN Sze-yuen Chief Public Mission Officer

Mr Boris LO Chi-heng Project Director

Agenda item IV

Innovation and Technology Bureau

Mr Alfred SIT Wing-hang, JP Secretary for Innovation and Technology

Ms Eva YAM Ya-ling Deputy Secretary for Innovation and Technology (2) (Acting)

Office of the Government Chief Information Officer

Mr Tony WONG Chi-kwong, JP Deputy Government Chief Information Officer

Mr Albert LEUNG Wai-cheong Senior Systems Manager (Cyber Security)

Clerk in attendance	: Mr Daniel SIN
	Chief Council Secretary (1)6

Staff in attendance : Ms Mandy LI Senior Council Secretary (1)6 Miss Yolanda CHEUK Legislative Assistant (1)6

Action

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

(LC Paper No. CB(1)859/20-21(01)
-- Administration's response to the submission from a member of the public regarding the regulation of person-to-person telemarketing calls [LC Paper No. CB(1)744/20-21(01)])

<u>Members</u> noted that the above paper had been issued since the last meeting.

II. Date of next meeting and items for discussion

(LC Paper No. CB(1)868/20-21(01) -- List of outstanding items for discussion)

Regular meeting on 15 June 2021

2. <u>Members</u> noted that the next regular Panel meeting would be held on Tuesday, 15 June 2021 at 2:30 pm to discuss the following items:

- (a) Progress on the implementation of the "iAM Smart" platform and e-Government services; and
- (b) Progress report on digital inclusion.

Special meeting on 25 May 2021

3. <u>Members</u> noted that a special meeting of the Panel would be held on Tuesday, 25 May 2021, from 2:30 pm to 5:30 pm in Conference Room 3 of the Legislative Council ("LegCo") Complex to discuss issues related to the Governance and Management of Radio Television Hong Kong Review Report.

III. Annual work progress of Cyberport and the Cyberport expansion project

(LC Paper No. CB(1)868/20-21(02)	Administration's paper on annual work progress of Cyberport and the Cyberport expansion project
LC Paper No. CB(1)868/20-21(03)	Paper on Cyberport prepared by the Legislative Council Secretariat (Updated background brief))

Visit to Cyberport

4. <u>The Chairman</u> said that the Panel had conducted a visit to Cyberport on 4 May 2021. He expressed gratitude to the Administration and Cyberport for their efforts in coordinating the visit. During the visit, he observed that the space therein had been well utilized.

Site visit to New Territories North New Development Areas

5. To promote the development of innovation and technology ("I&T") in Hong Kong and facilitate the work related to the 14th Five-Year Plan of China, the Chairman suggested that a joint-Panel site visit should be held to New Territories North ("NTN"). <u>The Chairman</u> said that he had sought the support of the chairmen of four Panels, including the Panel on Environmental Affairs, Panel on Commerce and Industry, Panel on Food Safety and Environmental Hygiene, and Panel on Development. <u>The Chairman</u> also remarked that he had issued a letter to the Chairman of the Panel on Development proposing a joint-Panel visit to NTN in May 2021. The Development Bureau undertook to arrange the Panel(s) to visit NTN.

(*Post-meeting note*: The visit was scheduled for 24 August 2021. Members were informed about the arrangements vide LC Paper No. CB(1)1185/20-21 on 10 August 2021.)

Briefing by the Administration

6. At the invitation of the Chairman, <u>Secretary for Innovation and Technology</u> ("S for IT") presented an overview of the work progress of Cyberport. He said that as the capacity of the four office buildings in Cyberport was already saturated,

Cyberport planned to construct a new office building, viz. Cyberport 5. The Administration would also enhance the existing Cyberport waterfront park. Subject to members' endorsement of the expansion plan, the Administration would proceed to seek funding approval from the Finance Committee ("FC"). Details of the briefing were given in the Administration's paper (LC Paper No. CB(1)868/20-21(02)). The Administration also arranged a video presentation on the work of Cyberport and its expansion plan.

7. <u>The Chairman</u> reminded members that in accordance with Rule 83A of the Rules of Procedure of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects.

8. <u>The Chairman</u> referred to a submission dated 7 May 2021 from Mr Paul ZIMMERMAN, Southern District Councillor, regarding the expansion of Cyberport and the enhancement of the waterfront park. The submission was tabled at the meeting and had been copied to the Administration and Cyberport for reference. <u>The Chairman</u> asked the Administration to liaise with the Southern District Council ("SDC") on implementation details as appropriate. <u>S for IT</u> advised that the Administration had briefed SDC on the Cyberport expansion project in 2019 and would continue to strengthen communication with different stakeholders, including SDC.

(*Post-meeting note*: The submission from Mr Paul ZIMMERMAN was circulated to members vide LC Paper No. 886/20-21(01) (English version only) on 10 May 2021.)

Discussion

Cyberport expansion project

9. <u>Ms Elizabeth QUAT</u> said that she supported the Cyberport expansion plan. She considered the efforts of the Administration in fostering the development of financial technology ("FinTech"), I&T, venture capital investment, smart living commendable. As regards the proposed expansion of Cyberport, <u>Ms QUAT</u> expressed concern that, although the scale of the project seemed large, Cyberport might again face shortage in space after a few years. Cyberport would then have to undertake a further expansion project but would not be an easy task. She asked whether the proposed expansion project had already exploited all the gross floor area that could be used, and whether there were any further plans to sustain the development of Cyberport. 10. <u>S for IT</u> advised that the proposed Cyberport expansion plan had fully utilized the available space for expansion works. He said that the Administration's efforts in providing infrastructure to support Hong Kong's I&T development were not confined to expanding Cyberport. The Administration was, at the same time, pressing ahead with the development of the Hong Kong-Shenzhen Innovation and Technology Park ("HSITP") in the Lok Ma Chau Loop ("Loop"), and taking forward Phase 2 of the Hong Kong Science Park ("HKSP") Expansion Programme.

11. <u>Ms Elizabeth QUAT</u> noted that, on top of the 20% of the construction cost of the Cyberport expansion project, Cyberport was planning to support the early operating expenses of Cyberport 5 through commercial loan with government guarantee. She asked about the reasons for, and the benefits of the Administration's proposed financial arrangements. <u>S for IT</u> explained that under the proposed financial arrangement, Cyberport would need to shoulder part of the project cost, while ensuring its own financial stability. Accordingly, during the construction and initial operation period, when the project had yet to generate a stable income, there might be a need for Cyberport to take out a loan.

12. Referring to the submission from Mr Paul ZIMMERMAN (paragraph 8), <u>the Chairman</u> said that he was also concerned about the issues relating to the enhancement of the waterfront park as mentioned in the submission. He said that the conditions of the turf of the waterfront park were unsatisfactory, particularly the soil of the lawn was not soft enough, which might be attributed to the high usage rate by the public. <u>The Chairman</u> commented that the Administration should take the opportunity of the proposed expansion project to enhance the environment of the park so as to enable local residents and members of the public to enjoy the green space.

13. <u>The Deputy Chairman</u> declared that he was currently the Chairman of Owners' Committee of a private residence adjacent to the Cyberport. <u>The Deputy Chairman</u> expressed support for the Cyberport expansion plan and commended the Cyberport's decision to open up some of the areas in Cyberport 5 to the public for recreation use to compensate for the loss of public open space due to the Cyberport expansion project. <u>The Deputy Chairman</u> was concerned about how the Administration would take the opportunity of the proposed expansion project to enhance the waterfront park, which he found not entirely satisfactory. He asked whether the Administration would consider allocating more resources to strengthen communication with local residents so as to gauge their views on enhancing facilities at the park.

14. <u>S for IT</u> said that the enhancement of the waterfront park for public enjoyment was an important part of the Cyberport expansion project. Cyberport 5

would only occupy around a quarter of the existing waterfront site measured at 6.4 hectares, and enhancement works would be carried out on the waterfront park at the remaining part of the site with an area of around 4.8 hectares. Moreover, part of the new building would be reserved for facilities to bring greater convenience, not only to its tenants, but also to nearby residents. <u>S for IT</u> assured members that the Administration and Cyberport would continue to maintain close liaison with local residents on matters related to the enhancement to the waterfront park.

15. <u>Chief Executive Officer, Hong Kong Cyberport Management Company</u> <u>Limited</u> ("CEO/HKCMCL") said that Cyberport had consulted SDC on the expansion project in May 2019. The views expressed by SDC and members of the public during the public inspection period of the statutory town planning process and other occasions had, where appropriate, been adopted, such as adjusting the height of the new building and providing public spaces at Cyberport 5 to compensate any loss of public space due to the expansion project. Cyberport would continue to maintain close liaison with SDC on matters related to Cyberport. As regards the Chairman's concerns about the management of the waterfront park turfs, <u>CEO/HKCMCL</u> said that after the expansion project, Cyberport would be responsible for the long-term management of the waterfront park. In addition, Cyberport would plant local species of vegetation in the park for educational purposes.

16. <u>The Chairman</u> enquired about the positioning and division of work among HKSP, Cyberport and HSITP regarding the development of I&T in Hong Kong. <u>Mr CHUNG Kwok-pan</u> raised a similar query. Whilst expressing support for the Cyberport expansion plan, <u>Mr CHUNG</u> queried why the Administration had only reserved land in the Loop for construction of HSITP but not for development by Cyberport.

17. S for IT said that HKSP, Cyberport and HSITP had different positioning: (a) Cyberport's main tasks were to promote the development of FinTech, digital entertainment and e-sports, as well as smart living; (b) HKSP had been offering its office and laboratory facilities for technology areas, covering biomedical technology, electronics, green technology, information and communications technology ("ICT"), materials and precision engineering; and (c) HSITP would focus on the development of six technology areas, namely healthcare technologies, intelligence ("AI"), robotics. big data and artificial new materials. microelectronics, and FinTech. S for IT said that the Administration would step up publicity to facilitate public understanding of the positioning of HKSP, Cyberport and HSITP.

18. On the division of work between Cyberport and HKSP, S for IT explained that the service clustering strategies for HKSP and Cyberport were not identical. Cyberport focused its work on building three application clusters, namely FinTech, smart living and digital entertainment and e-sports, while HKSP's emphasis included biomedical, big data and AI, and robotics, etc. While there was a relatively clear differentiation between the two, some overlapped would be S for IT said that some industries had chosen Cyberport given inevitable. Cyberport's relative proximity to the central business district. S for IT further advised that the Hong Kong-Shenzhen Innovation and Technology Park Limited, a company wholly-owned by the Hong Kong Science and Technology Parks Corporation ("HKSTPC"), was tasked with the responsibility to build the superstructure of HSITP, as well as to operate, maintain and manage the same. S for IT envisioned that HSITP would emerge as the third flagship I&T park in Hong Kong after Cyberport and HKSP.

19. <u>Mr CHUNG Kwok-pan</u> remarked that there was a perception among members of the public that Cyberport was practically a real estate venture. He suggested that the Administration and Cyberport should strengthen publicity measures so as to avert such perception and enhance public awareness on the work of Cyberport.

20. <u>S for IT</u> replied that the current-term Government had devoted significant resources to promote the development of I&T in Hong Kong, with remarkable progress made in recent years. The Administration would step up the publicity work by engaging the community, especially students, to visit Cyberport. It would also enhance promotion and publicity efforts through various channels.

Management and financial position of Cyberport

21. <u>The Chairman</u> noted with concern that the net loss of the Cyberport Companies for the financial year 2019-2020 was about \$146 million. <u>The Chairman</u> considered it important to achieve break-even, and he sought more information on the Cyberport's financial situation in the coming five years.

22. <u>S for IT</u> advised that after contributing \$133.4 million to undertake its public mission activities in 2018-2019, Cyberport still managed to achieve a profit before taking into account depreciation, tax and other expenses. The net loss of Cyberport for 2019-2020 was mainly due to depreciation of assets. With the proposed funding injection, Cyberport should be able to break-even and continue to operate on a self-financing basis in the long term. It would be sufficient for maintaining Cyberport's operation and meeting the expenditure on its public mission programmes. <u>The Chairman</u> requested the Administration to provide a projection of the Cyberport Companies' financial situation to illustrate that

Cyberport could operate on a self-financing basis in the long term.

(*Post-meeting note*: The Administration's response was circulated to members vide LC Paper No. CB(1)1232/20-21(01) on 23 August 2021.)

23. <u>Mr MA Fung-kwok</u> pointed out that some of Cyberport's common facilities, such as conference rooms and board rooms, appeared under-utilized, and there were very few customers at the Cyberport Arcade especially during evenings of weekdays. Noting that Cyberport intended to build a multi-function hall and other ancillary facilities under the expansion project, <u>Mr MA</u> requested the Administration to provide statistics (such as the utilization of Cyberport's facilities in the past years) to demonstrate whether the existing facilities had been fully utilized, and if not, how Cyberport would improve the utilization rates.

24. <u>S for IT</u> explained that the overall occupancy rate of Cyberport's office space (including co-working space) was more than 90%. The number of applications for the "Cyberport Incubation Programme" had increased to more than 600 per year in recent years. Due to its limited space, Cyberport could only accommodate about 100 start-ups and had to turn away many start-ups with potential. Furthermore, the largest conference facility in Cyberport could only accommodate a maximum of 300 persons, which was inadequate in hosting regional or international conferences and events. To this end, Cyberport intended to adopt a flexible approach in building the multi-function hall which would allow for adjustment of the hall capacity having regard to the scale of events. The hall could accommodate up to 800 persons.

25. <u>S for IT</u> further said that the relatively low utilization rate of the conference facility in Cyberport was due to the coronavirus disease 2019 ("COVID-19") epidemic. <u>CEO/HKCMCL</u> supplemented that the space provided by Cyberport covered, among others, co-working space and conference rooms. The occupancy rate of office and co-working space therein was more than 90%. However, in the face of the COVID-19 epidemic, the organization of many large scale physical events had been suspended. Cyberport had made flexible arrangements for those activities to be conducted online instead. To better utilize the space in Cyberport, some board rooms had been converted into space for business operations of startups.

Development of e-sports

26. <u>Ms YUNG Hoi-yan</u> sought information on how the Cyberport expansion project would benefit the overall development of the e-sports industry, including its supporting industries, in terms of e-sports venues, talent cultivation, and e-sports competitions. <u>Ms YUNG</u> also suggested that Cyberport should strengthen

its collaboration with the Home Affairs Bureau to promote e-sports.

(*Post-meeting note*: The Administration's response was circulated to members vide LC Paper No. CB(1)1232/20-21(01) on 23 August 2021.)

27. <u>S for IT</u> advised that the Administration was committed to supporting the development of e-sports industry in Hong Kong through provision of funding and professional support in different areas. At present, there were more than 140 e-sports/digital entertainment related companies in the Cyberport community. The completion of the Cyberport expansion project would provide more room for the industry's development and reinforce the support services for related companies, thus leading to a more vibrant industry.

28. <u>Ms Elizabeth QUAT</u> asked the Administration to step up publicity on esports, particularly to correct certain public perception that, by promoting e-sports, the Administration was encouraging young people to indulge in video games. She queried whether Cyberport could support more international e-sports competitions to be held in Hong Kong. <u>S for IT</u> agreed that the Administration should strengthen publicity in the community so as to nurture a positive understanding of e-sports among members of the public.

29. <u>Mr MA Fung-kwok</u> expressed concerns on how Cyberport would ride on the development opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") in promoting the development of e-sports.

30. <u>CEO/HKCMCL</u> said that Cyberport had expanded the "Cyberport Guangdong-Hong Kong Young Entrepreneurship Programme" to the "Cyberport Greater Bay Area Young Entrepreneurship Programme" so as to facilitate exchange and collaboration among young talents of Hong Kong and those in GBA. As digital entertainment and e-sports was one of the key clusters in Cyberport, Cyberport encouraged participants to develop projects in this area through this Programme. Each successful application would be granted \$100,000. As regards the organization of e-sports events, Cyberport had collaborated with Mainland organizations to host various online and offline events. <u>CEO/HKCMCL</u> added that e-sports would become an official medal event at the Hangzhou 2022 Asian Games and Hong Kong e-sports teams would participate in the competitions. Cyberport would continue to support the development of the e-sports industry.

Fostering technology development

31. <u>Ms YUNG Hoi-yan</u> commended Cyberport's efforts in driving I&T development and providing support to small and medium enterprises ("SMEs") and start-ups in recent years. She asked about the Administration's plans to

encourage more SMEs to support the development of smart living, such as smart mobility and smart healthcare, so as to cater for the needs of Hong Kong and help implement the *Smart City Blueprint for Hong Kong*. <u>S for IT</u> advised that smart living was one of Cyberport's major clusters and it would continue to provide support in different areas so as to foster the local I&T development. <u>The Chairman</u> requested the Administration to provide written response to questions raised by Ms YUNG.

(*Post-meeting note*: The Administration's response was circulated to members vide LC Paper No. CB(1)1232/20-21(01) on 23 August 2021.)

32. Ms Elizabeth QUAT noted that Cyberport had injected an additional \$200 million into the Cyberport Macro Fund ("CMF") in April 2021. She sought information on the disposable reserve of CMF and whether Cyberport would increase investment to enable more promising start-ups to expand their business operations. Ms QUAT suggested that Cyberport should step up efforts to attract venture capital funds to co-invest in local I&T start-ups. She also commented that Cyberport should strengthen its promotional efforts in the local community, say for example, by shifting the focus from elite and/or international schools to students from underprivileged backgrounds and provide them with support in learning digital/electronic technologies. Students from underprivileged backgrounds might not be able to afford the transportation expenses to travel to Cyberport to take part in the activities. She also suggested that new initiatives should be introduced to encourage I&T enterprises and start-ups to put forward I&T solutions to tackle problems faced by the city and people in their daily lives, and help local enterprises use solutions to transform their business processes. Ms QUAT further asked the Administration to enhance publicity to promote an I&T culture among the general public, especially young people, with a view to tackling vexing problems in the community.

33. <u>S for IT</u> informed members that the Administration would implement the "Knowing More About IT" Programme and provide funding support of up to \$400,000 to each publicly-funded primary school in the coming three school years with a view to enhancing students' interest in information technology ("IT") through extra-curricular activities. Participating primary schools could work with stakeholders, such as Cyberport, to organize related IT activities for their students. <u>S for IT</u> further pointed out that the Administration had made efforts to promote the use of I&T to tackle problems encountered in daily lives. For example, the City Innovation and Technology Grand Challenge invited all sectors of the community, including young innovators, to put forward I&T solutions to help tackle environmental issues and problems the community faced in time of the epidemic.

Cyberport Academy

34. <u>Ms YUNG Hoi-yan</u> noted that Cyberport had collaborated with Amazon Web Services ("AWS") Educate in May 2020 to launch the Cyberport and AWS Educate Cloud Career Pathways Programme. The Programme provided complimentary online cloud technology training for university and secondary school students. <u>Ms YUNG</u> sought information as to whether the Cyberport Academy would offer educational programmes for primary school students, whether the Cyberport Academy would be expanded to benefit members of public, and whether cloud-based courses would be provided for the public.

(*Post-meeting note*: The Administration's response was circulated to members vide LC Paper No. CB(1)1232/20-21(01) on 23 August 2021.)

35. <u>S for IT</u> said that the technology companies of Cyberport had provided a variety of educational programmes for the general public, including primary and secondary school students.

Pooling technology talent

36. <u>Ms YUNG Hoi-yan</u> asked how the Administration would leverage the strength of HSITP, HKSP and Cyberport to play Hong Kong's role in the GBA development. <u>Ms YUNG</u> said that there seemed to be a common misconception in the community that Hong Kong had been exporting talent that it developed to support development of GBA. She said that it was not the case, as Hong Kong and Shenzhen were both the main engines for growth in GBA and they had different roles to play. Nevertheless, the Administration should continue to step up efforts to attract and retain Mainland and overseas I&T talent.

37. <u>S for IT</u> responded that the commercialization and industrialization of research and development ("R&D") deliverables were important in fostering the development of I&T in Hong Kong. For instance, Cyberport was committed to promoting the application of FinTech. With five universities ranking among the world's top 100, Hong Kong possessed solid R&D capabilities, while other Mainland cities in GBA, such as Shenzhen, could provide a sizeable market as well as capabilities in advanced manufacturing and commercializing R&D results. Hong Kong could achieve synergy with other Mainland cities in GBA with regard to their comparative strengths and build up a comprehensive industry chain. In this regard, the Administration would continue to endeavour to enhance Hong Kong's I&T co-operation with other GBA cities.

38. <u>Permanent Secretary for Innovation and Technology</u> ("PS(IT)") said that Cyberport's objective as provided in its Articles of Association was to serve as the

hub for the ICT industry in Hong Kong. Specifically, Cyberport focused on promoting the growth of FinTech, smart living, digital entertainment and e-sports, etc. via the provision of office spaces and other support measures. In contrast, HKSP was equipped with wet laboratories as well which enabled its tenants to conduct R&D related to new materials, biomedical and healthcare technologies etc. Like HKSP, HSITP would provide both wet and dry laboratories. Moreover, being adjacent to the Shenzhen I&T Zone, HSITP enjoyed strategic advantages in facilitating cooperation between Hong Kong and Shenzhen. <u>PS(IT)</u> further pointed out that attracting, nurturing and retaining I&T talent were the major strategies of the Administration in expanding the I&T talent pool of Hong Kong. Both HKSP and Cyberport had been promoting the advantages of Hong Kong in I&T with a view to attracting talents, including those from the Mainland and overseas.

39. S for IT supplemented that talent was of the utmost importance to the I&T development in Hong Kong. On pooling together global R&D talent, the Administration would launch the Global STEM Professorship Scheme to support local universities in attracting world-renowned STEM scholars and their teams to Hong Kong and participate in teaching and research activities. Also, the Hong Kong and Shenzhen governments had agreed that before the completion of the first batch of buildings in HSITP, HKSTPC would lease and manage certain areas of the Shenzhen I&T Zone, so that enterprises that were interested in starting their business in GBA could first establish a presence there. Hong Kong would continue to leverage the advantages under the "one country, two systems" principle to contribute to meeting the country's needs, and would act as an important connecting platform to help Mainland enterprises venture into the international markets.

40. <u>The Chairman</u> commented that the Administration should consider relaxing the relevant policy measures to facilitate cross border flow of people among Hong Kong, HSITP and the Shenzhen I&T Zone. Likewise, the Administration should consider exploring the development potential of NTN and the provision of facilitation measures in the region so as to promote co-operation and exchange in I&T between talent from Hong Kong and Shenzhen.

Conclusion

41. <u>The Chairman</u> concluded that the Panel supported the Administration's funding proposal and agreed that it should be submitted to FC for funding approval.

(At 3:58 pm, the Deputy Chairman took the chair in the absence of the Chairman.)

IV. Update on information security

(LC Paper No. CB(1)868/20-21(04)	Administration's paper on update on information security
LC Paper No. CB(1)868/20-21(05)	Paper on information security prepared by the Legislative Council Secretariat (Updated Background brief))

Briefing by the Administration

42. At the invitation of the Deputy Chairman, <u>S for IT</u> briefed members on the latest situation of information security in Hong Kong and Government's work in information security in the past year. Details of the briefing were set out in the Administration's paper (LC Paper No. CB(1)868/20-21(04)).

Discussion

Enhancing information security

43. Ms Elizabeth QUAT said that, the Colonial Pipeline, one of the largest oil pipelines in the United States ("US"), suffered a ransomware attack from a threat group. She noted that the Office of the Government Chief Information Officer would regularly conduct independent information security ("OGCIO") compliance audits for bureaux/departments ("B/Ds"), and asked whether the Administration had assessed the security risks faced by local critical infrastructures managed by other organizations such as the electricity companies and MTR Corporation Limited. Expressing concerns about profound impacts might arise from cyber-attack incidents against local critical infrastructures, Ms QUAT further enquired about the Administration's measures in ensuring proper protection of the critical infrastructures. She also asked whether operators of those critical infrastructures were required to regularly conduct information security compliance audits and submit annual reports to the Administration for reference and follow-up, and whether the Administration had kept a list of the critical infrastructure operators and maintained co-operation with them so as to strengthen the overall capabilities of local critical infrastructures in responding to cyber security incidents. Ms QUAT requested the Administration to maintain close liaison with the Office for Safeguarding National Security of the Central People's Government in the Hong Kong Special Administrative Region in this regard.

44. <u>S for IT</u> advised that the Administration had all along attached great importance to information and cyber security. OGCIO and relevant departments

had been closely monitoring the overall cyber security situation in Hong Kong and providing different stakeholders with support in strengthening cyber security. For infrastructure facilities owned by key industries and organizations (such as electricity companies and MTR Corporation Limited), the relevant regulatory agencies stipulated the regulatory ambit and requirements of the information security. When necessary, OGCIO would exchange views with the relevant regulatory bodies and give advice.

45. Deputy Government Chief Information Officer ("DGCIO") added that OGCIO had established the Internet Infrastructure Liaison Group ("IILG") in 2005 to maintain close liaison with Internet infrastructure stakeholders and strived to sustain the healthy operation of the Internet infrastructure. IILG would facilitate the stakeholders to formulate rapid and coordinate response in case of major incident outbreaks that would affect the smooth operation of the Internet infrastructures of Hong Kong. Moreover, the Cyber Security and Technology Crime Bureau under the Hong Kong Police Force ("Police Force") was dedicated to combating technology crimes, enhancing critical infrastructure operators' awareness to cyber security and their capability in handling cyber security incidents, and conducting timely cyber threat audits and assessments so as to prevent and detect cyber-attacks on critical infrastructures.

"LeaveHomeSafe" mobile application

46. <u>Ms YUNG Hoi-yan</u> was concerned about the situation of fraudulent "LeaveHomeSafe" mobile application ("app"), and the dissemination of misinformation smearing the app. She said that some people were reluctant to use the app as they were under a misguided belief that their personal information might leak through the app. <u>Ms YUNG</u> said this would not happen, and, on the contrary, the app should offer better protection of personal information than using printed forms to register visit records as there was no control on how the forms might be handled. <u>Ms YUNG</u> observed that persons in the Mainland were no longer allowed to record their visits by means of writing. She asked the Administration to step up efforts to explore more effective ways to deploy the "LeaveHomeSafe" mobile app to help the public in the prevention and fight against the epidemic.

47. <u>S for IT</u> responded that the Administration endeavoured to assist in fighting against the epidemic through wider use of technology, for example, the "LeaveHomeSafe" exposure notification mobile app. The latest number of downloads of the "LeaveHomeSafe" mobile app had reached 4 180 000. Compared to the customer information record forms, the "LeaveHomeSafe" mobile app could effectively protect personal privacy. The Administration would continue to promote and educate the public to use the "LeaveHomeSafe" mobile

app, and solicit the public's support in using technology to record their whereabouts in order to fight the epidemic together.

Enhancing the capability of Hong Kong enterprises (including small and medium enterprises) in responding to various cyber attacks

48. <u>Ms YUNG Hoi-yan</u> pointed out that despite the availability and enhancement of subsidy under the Technology Voucher Programme ("TVP"), many SMEs were reluctant to invest in computer security solutions as setting up effective preventive measures to enhance and maintain cyber security, including the necessary customization of the computer systems, would be costly. She asked whether the Administration would provide additional support for local SMEs, such as providing information about less costly options, to improve its security system on top of the assistance under TVP.

49. <u>S for IT</u> responded that the Administration had launched the Distance Business Programme under the Anti-epidemic Fund to subsidize enterprises, in particular SMEs, to use IT solutions for developing remote business to support enterprises to continue operation during the epidemic. The Programme was a time-limited initiative, which covered, among others, cyber security solutions to strengthen defence against cyber-attacks and enhance the security of information systems of enterprises. Around 95% of the applications were submitted by SMEs. In connection with the enhancements to TVP, each eligible enterprise could receive a cumulative funding of up to \$600,000 to carry out a maximum of six projects. Funding was provided for three-quarters of the project cost of each approved project, which should normally be sufficient for improving security of their information systems.

Professional training and certification

50. <u>Ms Elizabeth QUAT</u> said that most of the information security talent possessed the US information security professional certifications, such as Department of Defense Directive 8570 and Certified Information Systems Security Professional ("CISSP"). She considered that the Administration should encourage IT practitioners to attain Certified Information Security Professional ("CISP") certification awarded by the China Information Technology Security Evaluation Center, thereby increasing their awareness and capability of safeguarding national security. <u>Ms QUAT</u> sought clarification on whether recruitment of IT professionals (including outsourced IT staff) by B/Ds would accept the qualifications of CISSP and CISP as one of the entry/tender requirements in each recruitment/tender exercise.

51. <u>S for IT</u> advised that in 2020, a total of 1 908 local professionals had acquired the qualification of CISSP. <u>DGCIO</u> explained that while there were no specific professional requirements for the recruitment of IT officers, the relevant requirements, such as CISP and CISSP, were stipulated in the tender documents of outsourced IT projects relating to cyber security. The Administration would accept international and national information security professional requirements for inviting tender submissions. <u>S for IT</u> and <u>DGCIO</u> said that the Administration would strengthen publicity to encourage more local IT practitioners to pursue the national information would also consider reviewing the requirements of IT projects, including whether other prominent IT security professional certifications should be accepted.

Information sharing and threat alerts

52. <u>Ms YUNG Hoi-yan</u> noted that OGCIO had issued over 120 security alerts in relation to computer system or software vulnerabilities from 2020 to the first quarter of 2021. She sought further information on the 120 security alerts and the preventive measures taken by OGCIO. <u>Ms YUNG</u> also asked about how cases of software vulnerabilities were found.

53. <u>DGCIO</u> said that most of the security alerts were related to computer system or software vulnerabilities discovered by hardware and/or software vendors. OGCIO maintained close collaboration with various stakeholders such as local cyber security service providers, research institutes and the Computer Emergency Response Team community for timely exchange of cyber threat information and coordinated responses. For those security vulnerabilities which were considered high risk to the Government, OGCIO would take proactive steps to request B/Ds to take prompt and appropriate preventive measures to remove the potential information security risks. In addition, hardware/software vendors would actively share information on security threats and vulnerabilities with the Administration.

54. In response to Ms YUNG Hoi-yan's enquiry, <u>DGCIO</u> advised that the security alerts were issued to address critical vulnerabilities discovered by hardware/software vendors and to facilitate the public and organizations in taking early precautions. No incident of the vulnerabilities leading to security incidents and leakage of information from Government computer systems had been reported.

Online deception

55. <u>The Deputy Chairman</u> expressed concern about the total financial losses that might be attributed to technology crimes, notably the financial losses stood at \$2,907 million and \$2,964 million in 2019 and 2020 respectively, while the monetary loss was about \$500 million in the first two months of 2021. <u>The Deputy Chairman</u> pointed out that online deception mainly involved online business fraud and there were about 1 040 cases as at February of 2021. He suggested that the Administration should maintain close cooperation with the Police Force to provide enterprises with information on security threats in a timely manner so as to promote the awareness of fraud and cyber pitfalls. <u>The Deputy Chairman</u> also asked about the measures taken by the Administration to assist the Police in this regard.

56. S for IT said that the Police Force had stepped up relevant online publicity and education initiatives. DGCIO added that OGCIO, the Cyber Security and Technology Crime Bureau of the Police Force and the Hong Kong Internet Registration Corporation Limited ("HKIRC") had been working closely to provide appropriate support to enterprises. For example, the Administration joined hands with HKIRC in mid-2019 to launch a free scanning service for SME's websites, including checking whether the websites had security vulnerabilities, conducting briefings on scanning reports and providing mitigation solutions to assist SMEs in identifying potential security vulnerabilities as early as possible. OGCIO would continue to strengthen publicity and education in conjunction with HKIRC to enhance the awareness of local enterprises on cyber security. Besides, the Anti-Deception Coordination Centre of the Police Force's Commercial Crime Bureau officially launched in April 2021 a website "ADCC One-stop Platform" to enhance publicity of anti-scam messages in a bid to fight against and prevent deception. The website provided a variety of useful information, such as scam alerts on latest deception trend. Members of the public could also make use of the "e-Report Centre" link provided by the website to report deception cases to the police.

V. Any other business

57. There being no other business, the meeting ended at 4:27 pm.

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