

**立法會**  
***Legislative Council***

LC Paper No. FC210/20-21  
(These minutes have been  
seen by the Administration)

Ref : FC/1/1(15)

**Finance Committee of the Legislative Council**

**Minutes of the 15<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 5 February 2021, from 2:30 pm to 5:33 pm**

**Members present:**

Hon CHAN Kin-por, GBS, JP (Chairman)  
Hon CHAN Chun-ying, JP (Deputy Chairman)  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Frankie YICK Chi-ming, SBS, JP  
Hon YIU Si-wing, BBS  
Hon MA Fung-kwok, GBS, JP  
Hon CHAN Han-pan, BBS, JP  
Hon LEUNG Che-cheung, SBS, MH, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Hon KWOK Wai-keung, JP  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Hon Elizabeth QUAT, BBS, JP  
Hon Martin LIAO Cheung-kong, GBS, JP  
Hon POON Siu-ping, BBS, MH  
Ir Dr Hon LO Wai-keung, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Jimmy NG Wing-ka, BBS, JP

Dr Hon Junius HO Kwan-yiu, JP  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai, JP  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan, JP  
Dr Hon Pierre CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon LUK Chung-hung, JP  
Hon LAU Kwok-fan, MH  
Hon Kenneth LAU Ip-keung, BBS, MH, JP  
Dr Hon CHENG Chung-tai  
Hon Vincent CHENG Wing-shun, MH, JP  
Hon Tony TSE Wai-chuen, BBS, JP

**Members absent:**

Hon WONG Ting-kwong, GBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Steven HO Chun-yin, BBS  
Dr Hon CHIANG Lai-wan, SBS, JP

**Public officers attending:**

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Miss CHAN Cheuk Yin, Jennie	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Alfred SIT Wing-hang, JP	Secretary for Innovation and Technology
Ms Annie CHOI Suk-han, JP	Permanent Secretary for Innovation and Technology
Mr Alan LO Ying-ki	Deputy Secretary for Innovation and Technology (1)
Ms Rebecca PUN Ting-ting, JP	Commissioner for Innovation and Technology

Ms Jenny LEE Tsz-tung	Assistant Commissioner for Innovation and Technology (Finance and Quality Services)
Mr Ringo MOK Wing-cheong, JP	Project Manager (West), Civil Engineering and Development Department
Mr WONG Chi-hung	Chief Engineer (West)5, Civil Engineering and Development Department

**Other person attending:**

Mr Patrick SIU	Chief Executive Officer, Hong Kong-Shenzhen Innovation and Technology Park Limited
Mr Aldous MAK	Chief Financial Officer, Hong Kong Science and Technology Parks Corporation

**Clerk in attendance:**

Ms Anita SIT	Assistant Secretary General 1
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**Staff in attendance:**

Ms Angel SHEK	Chief Council Secretary(1)1
Miss Bowie LAM	Council Secretary (1)1
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Yannes HO	Legislative Assistant (1)7

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Action

The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure ("RoP").

**Item 1 — FCR(2020-21)86  
RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 13 JANUARY 2021**

**PWSC(2020-21)25  
HEAD 705 — CIVIL ENGINEERING  
Civil Engineering — Multi-purpose  
51CG — District Cooling System at the Kwu Tung North New  
Development Area**

2. The Chairman advised that this item sought the approval of the Finance Committee ("FC") for the recommendation of the Public Works Subcommittee ("PWSC") made at its meeting on 13 January 2021 regarding PWSC(2020-21)25, i.e. upgrading the project of 51CG "District Cooling System at the Kwu Tung North New Development Area" to Category A at an estimated cost of \$5,787.7 million in money-of-the-day ("MOD") prices. No member requested that the item be put to vote separately at the FC meeting.

3. The Chairman declared that he was a Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited. He was also a Director of Well Link General Insurance Company Limited and Well Link Life Insurance Company Limited, both under the Well Link Insurance Group.

Voting on FCR(2020-21)86

4. At 2:31 pm, the Chairman put item FCR(2020-21)86 to vote. The Chairman declared that the majority of the members present and voting were in favour of the item, and that the item was approved.

**Item 2 — FCR(2020-21)87**

**HEAD 184 — TRANSFERS TO FUNDS  
Subhead 987 — Payment to the Capital Investment Fund**

**CAPITAL INVESTMENT FUND  
HEAD 962 — INDUSTRY  
New Subhead "Equity in the Hong Kong Science and Technology  
Parks Corporation for the Batch 1 Development of the  
Hong Kong-Shenzhen Innovation and Technology  
Park and the Initial Operating Cost of the Hong Kong-  
Shenzhen Innovation and Technology Park Limited"**

5. The Chairman advised that this item sought FC's approval for a supplementary provision under Head 184 "Transfers to Funds" Subhead 987 "Payment to the Capital Investment Fund" to enable the creation of a commitment to inject \$18,135 million (in MOD prices) as equity from the Capital Investment Fund to the Hong Kong Science and Technology Parks Corporation ("HKSTPC") to support its wholly-owned subsidiary company, the Hong Kong-Shenzhen Innovation and Technology Park Limited ("HSITPL"), to commence the Batch 1 development of the Hong Kong-Shenzhen Innovation and Technology Park ("the Park") (\$17,258 million) and to meet the initial operating cost of HSITPL (\$877 million). The Innovation and Technology Bureau ("ITB") consulted the Panel on Commerce and Industry on the relevant proposal on 17 November 2020. The Panel spent around 56 minutes on deliberating the proposal.

Benefits generated from the development of the Hong Kong-Shenzhen Innovation and Technology Park

6. The Deputy Chairman expressed support for this item. He pointed out that the Administration had advised at a meeting of the Panel on Commerce and Industry that the progress of the Park in realizing its vision of becoming the world's knowledge hub and innovation and technology ("I&T") centre might in general be assessed by four major criteria, namely: (a) the number of new technologies developed and research and development ("R&D") products commercialized; (b) the number and qualifications of I&T talents attracted and nurtured; (c) the number of impactful R&D projects attracted from the Guangdong-Hong Kong-Macao Greater Bay Area ("the Greater Bay Area") and overseas; and (d) the number of start-ups and high value-added enterprises supported. The Deputy Chairman enquired when the Administration could draw up and release quantifiable performance indicators on the basis of the above criteria. Secretary for Innovation and Technology ("S for IT") responded that as the Government anticipated that the Batch 1 buildings of the Park would be completed by phases towards the end of 2024, so that the first batch of tenants could move in gradually from 2025 at the earliest, it was expected that major performance indicators could be drawn up on the basis of the above criteria by then.

7. Mr Holden CHOW was concerned about the huge costs invested in I&T researches and yet comparatively small benefits generated from the commercialization of their outcomes. He asked the Administration to elaborate on the benefits to be brought about by the Park.

8. In response, S for IT and Permanent Secretary for Innovation and Technology ("PS(IT)") advised that:

- (a) the outcomes of I&T researches might bring benefits to R&D institutions as well as the commercial and industrial sectors of Hong Kong;
- (b) public R&D centres would conduct preliminary or early stage researches and then transfer the relevant knowledge and skills to the commercial sector;
- (c) apart from the income from the commercialization of research outcomes, public R&D centres might also obtain income from R&D contracts signed with enterprises, and the target level of such income was set at 30%. Currently, public R&D centres' income received from the industry was higher than the income target; and
- (d) the Hong Kong Science Park ("HKSP") and Cyberport had attracted over \$40 billion of investment in the past three years, which showed that scientific research-related facilities could attract investment.

9. Mr LUK Chung-hung enquired about the direct contribution of the Park to the gross domestic product ("GDP") of Hong Kong. S for IT responded that direct contribution mainly referred to the direct value created from the economic activities conducted by the Park's tenants, which accounted for about 60% of their economic contribution. PS(IT) supplemented that direct contribution might include the contribution made by the Park's tenants through their daily operations in the Park and their employment of staff, etc., while indirect contribution meant the contribution from the expenditures on goods and services involved in the operations of the Park's tenants; induced contribution was the contribution brought along by the operations of the relevant goods and services companies.

10. Dr CHENG Chung-tai indicated that he opposed to this item. He pointed out that over the years, the Administration had invested substantially in Cyberport and HKSP, but eventually, Hong Kong had not obtained any concrete benefits in return. He queried how the I&T industry could promote the development of local economy. He enquired about the income generated from the funds invested in I&T (including Cyberport and HKSP) in the past and the benefits that could be brought to Hong Kong upon the completion of the Park. He also asked the Administration to explain the mode of collaboration among Cyberport, HKSP and the Park.

11. Mr Michael TIEN enquired about the services that the Park could provide whereas HKSP could not.

12. In response, S for IT advised that:

- (a) HKSP and Cyberport could promote the development of I&T in Hong Kong. The number of start-ups in Hong Kong increased from about 1 070 in 2014 to about 3 360 in 2020. During the same period, the number of start-up staff members also rose from about 2 400 to about 12 500. The total financing grew from about \$1.24 billion in 2014 to about \$16.3 billion in 2018. In 2019, the corresponding amount was also more than \$9 billion;
- (b) according to an Economic Impact Analysis Study commissioned by HSITPL, upon its full-fledged development, the Park's economic contribution to Hong Kong could reach about \$52 billion per annum and create about more than 52 000 local jobs; and
- (c) Cyberport, HKSP and the Park each had its own positioning.

13. PS(IT) supplemented that:

- (a) over the past two decades, the Government had invested a total of about \$17.3 billion in the three-phase development of HKSP, its stage 1 expansion and "the InnoCell". At present, HKSP housed about 900 enterprises which employed about 13 000 staff members. Among them, nearly 70% were engaged in R&D. The contribution of HKSP to Hong Kong's GDP was around \$20 billion per annum, reflecting the return yielded from the Government's investment in HKSP. As for Cyberport, it currently housed about 800 enterprises and around 6 000 staff members. The Government believed that the Park could create the same suitable environment for exchanges and collaboration between different people and enterprises; and
- (b) Hong Kong was currently home to eight "unicorns" (i.e. start-ups with a market value of over US\$1 billion), and six of them were incubated by HKSP and Cyberport.

14. Dr CHENG Chung-tai was concerned that despite the locations of Cyberport and HKSP both at the heart of Hong Kong, quite a number of

tenants inside were foreign enterprises. As a result, local start-ups might have to move into the Park in a remote area. He enquired whether the Administration would consider implementing a "local employment for local people" policy so that staff members of local start-ups could stay and work in Hong Kong. Dr CHENG sought supplementary information on technology companies registered in Hong Kong inside Cyberport and HKSP, such as the respective proportions of local companies, foreign companies and Mainland companies.

*[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC180/20-21(01) on 18 June 2021.]*

15. PS(IT) advised that the majority of enterprises inside HKSP and Cyberport were locally registered companies, with over 90% of them being small and medium enterprises, and 70% of the personnel working there were local people.

#### Development arrangements for the Hong Kong-Shenzhen Innovation and Technology Park

16. Mr Christopher CHEUNG was concerned that I&T development in Hong Kong lagged behind that of Shenzhen. He asked whether the Administration had any plan to expedite the development of the Park. S for IT replied that HSITPL would embark on the development of the Park as soon as possible. For instance, superstructure works would commence right after the completion of the site formation of certain pieces of land; temporary sewage treatment facilities would be provided to facilitate early occupation of the buildings in the Park.

17. Mr YIU Si-wing was concerned that road connection and sewage treatment facilities at the Lok Ma Chau Loop ("the Loop") might not be completed on schedule, thereby delaying the development of the Park. In this regard, he raised the following enquiries:

- (a) whether the Administration had any contingency plan to ensure that the Batch 1 development of the Park could be completed on schedule; and
- (b) if the development of the Park was delayed, leading to a deferment of the rental income to be received by HSITPL, whether the Administration would need to submit an application to FC for supplementary provision or adopt other options such as financing/loans.



18. S for IT responded that:

- (a) the Government had reserved sufficient time and made proper arrangements for the Batch 1 development of the Park. Moreover, taking into account HSITPL's track record in delivering projects always within budget and on schedule, the Government was confident that the first building under the Batch 1 development of the Park would be completed as planned at the end of 2024; and
- (b) where necessary, HKSTPC and HSITPL might follow up the financial arrangements for the development of the Park through studying the feasibility of various financing methods.

Construction cost and working capital

19. The Deputy Chairman, Mr Tony TSE, Mr LEUNG Che-cheung, Ms Alice MAK and Dr Junius HO sought explanation from the Administration on the high construction cost of the first eight buildings under the Batch 1 development of the Park. The Deputy Chairman said that based on his own calculations, the construction cost of the buildings was \$5,811 per sq ft. He also enquired about the reasons for the high estimated cost of the part involving green building provisions. Mr LEUNG Che-cheung asked for the construction cost of the wet laboratories ("wet-labs") accommodated in the eight buildings and whether such amount had led to the high construction cost of the eight buildings. Mr Holden CHOW asked the Administration to provide the construction cost (per sq ft) of the Batch 1 development of the Park, including the first eight buildings and other supporting facilities.

*[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC180/20-21(01) on 18 June 2021.]*

20. In response, S for IT advised that:

- (a) considering that the Batch 1 development of the Park included facilities such as wet laboratories, and the required ceiling height and loading capacity of the relevant buildings were both higher than those of ordinary buildings, the Government deemed that the estimated construction cost of the Batch 1 development of the Park reasonable;

- (b) after disregarding factors contributing to cost escalation and the costs of utilities, temporary facilities, environmental mitigation measures, etc., the construction cost of the first eight buildings of the Park was about \$8 billion, with a construction floor area of about 169 000 sq m, and the construction costs per sq m and per sq ft were about \$50,000 and over \$5,000 respectively; for the development of ordinary buildings, the construction cost would be \$3,000 to \$4,000 per sq ft in general; and
- (c) green building provisions in the Park included green and energy conservation features such as solar panels and wind power.

21. Mr Tony TSE made the following enquiries:

- (a) when did the Administration estimate the cost of the Batch 1 development of the Park;
- (b) whether the Administration accepted directly the construction cost submitted by HSITPL without having it scrutinized by the Project Strategy and Governance Office ("PSGO");
- (c) whether the Administration would undertake to arrange for PSGO to scrutinize the Batch 1 development of the Park; and
- (d) whether the public facilities within the Park mentioned in paragraph 20 of FCR(2020-21)87 were facilities necessary for the Batch 1 development of the Park or the whole Park.

22. Chief Executive Officer, HSITPL ("CEO/HSITPL") responded that HSITPL estimated the cost of the Batch 1 development of the Park about a year ago and derived the MOD prices in light of inflation index. The Architectural Services Department ("ArchSD") had scrutinized the estimated cost of the development of the Park.

23. S for IT supplemented that the construction works committee of HSITPL was responsible for scrutinizing the construction costs of various projects and supervising their progress. However, if necessary, ITB and the Development Bureau might explore again whether the relevant projects under the development of the Park could be scrutinized by PSGO. The Government would timely update the construction costs having regard to the market situation. The Government and HSITPL had also put in place monitory and control measures to ensure that the construction cost of each and every project could be kept at a reasonable level.

24. S for IT added that all buildings under the remaining batches of development of the Park could use some of the basic public facilities built under the Batch 1 development of the Park, such as district cooling system, information technology and telecommunication system (including telephone network and cyber security central management system, etc.). Moreover, the Batch 1 development of the Park would also adopt common utility enclosure to facilitate maintenance and repair.

25. Regarding CEO/HSITPL's remarks that ArchSD had perused the estimated cost of the development of the Park, Mr Tony TSE requested the Administration to provide ArchSD's written response (if any) to HSITPL at that time. He also requested the Administration to reply whether the estimated cost of "basic public facilities within the Park" under the Batch 1 development of the Park as stated in paragraph 20 of FCR(2020-21)87 included the cost reserved for other batches/phases of the development in future as well as the expenditures involved (if any).

*[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 180/20-21(01) on 18 June 2021.]*

26. Mr LEUNG Che-cheung requested the Administration to provide the details of the estimated cost of \$3.5 billion for "Consultants' fees/site supervision/contingencies/miscellaneous, etc." under the Batch 1 development of the Park as stated in paragraph 20 of FCR(2020-21)87. S for IT responded that consultants' fees and contingencies each took up around 10% of the cost of the Batch 1 development of the Park (\$17,258 million).

27. Mr SHIU Ka-fai asked whether importation of labour could reduce the cost of the Batch 1 development of the Park. In response, S for IT advised that certain building provisions in the Park, such as "InnoCell", would be built by adopting the "Modular Integrated Construction" ("MiC") approach to reduce construction cost.

28. Mr LEUNG Che-cheung enquired that except wet-labs, whether other buildings in the Park could be built by adopting the MiC approach to save construction cost. Ir Dr LO Wai-kwok made similar enquiries. S for IT replied that under suitable circumstances, buildings would be built by adopting the MiC approach as far as possible so as to enhance the construction speed and efficiency as well as site safety.

29. The Deputy Chairman, Mr Tony TSE and Mr SHIU Ka-fai noted that the depth of the basement of the first eight buildings of the Park was greater

than that of ordinary buildings. Mr SHIU enquired if the depth of the basement could be reduced so as to cut the construction cost. Mr TSE requested the Administration to provide supplementary information on the reasons for the high construction cost of the basement (estimated cost amounted to \$2,158 million).

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 180/20-21(01) on 18 June 2021.]

30. The Chairman, Mr Tony TSE, Mr SHIU Ka-fai, Ms Elizabeth QUAT and Dr Junius HO enquired whether the height restrictions on and the plot ratio of buildings in the Park could be relaxed.

31. S for IT advised that HSITPL increased the available floor area of the Park by making optimal use of the basement of the relevant buildings. The current height restrictions on the buildings in the Park were stipulated according to the recommendations in the Environmental Impact Assessment Report. The Government would timely review the ways to increase the available floor area of the Park as well as explore the feasibility of raising the plot ratio. The Government hoped that with the advancement of technology and improvement of supporting facilities, land resources could be used in a more effective manner.

32. Mr Tony TSE and Mr Christopher CHEUNG were concerned about how the Administration would monitor the use of the provision for this item. Mr CHEUNG said that he was worried that delays and cost overruns might occur in the remaining batches of development of the Park, and as a result, supplementary provision would have to be sought from the Legislative Council ("LegCo"). He enquired whether the Administration had estimated the cost for the overall development of the Park. Mr YIU Si-wing asked whether the Administration needed to seek provision from LegCo for each phase of development of the remaining batches of the Park.

33. Dr CHENG Chung-tai queried that as the relevant land in the Loop would be delivered to HSITPL for development by way of short-term tenancy or "private treaty grant", it would be difficult for the Administration to monitor the operation of HSITPL. He asked the Administration to explain how the Government would monitor the operation of HSITPL.

34. S for IT and PS(IT) advised that:

- (a) the Government was represented in the Board of Directors and relevant committees of HSITPL to ensure effective monitoring

of the business and financial situations of HSITPL. The Government would also watch closely the progress, tender process and expenditures of the works projects of HSITPL, so that the first building under the Batch 1 development of the Park could be completed as scheduled in 2024;

- (b) the Government would report annually to LegCo the development progress and an update of the Park;
- (c) various financial arrangements, such as loans and financing, would be explored for the remaining batches of development of the Park; and
- (d) the Government hoped that the Park could sustain its daily operation with rental income in future.

35. Mr LUK Chung-hung enquired whether the Administration could include a term in the tender contracts requiring the winning consultancy firms to save costs. S for IT responded that the Government would include requirements related to cost-effectiveness in the tender contracts. Tenderers who met those requirements would score a higher mark.

36. Regarding the Administration's plan to provide \$877 million as the initial operating cost of HSITPL, Mr YIU Si-wing and Mr Tony TSE requested information on the purposes of this provision and the related amounts, as well as the establishment and requisite qualifications of the staff to be recruited during the initial operation of HSITPL. S for IT replied that the operating cost of HSITPL would be spent mainly on staff salary, management of facilities, etc. Relevant details would be provided later.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 180/20-21(01) on 18 June 2021.]

#### Construction arrangement and supporting facilities

37. Mr Jimmy NG declared that he was a director of HKSTPC. While expressing support for the item, Mr NG enquired about the details of the "temporary arrangement for construction" for Batch 1 development of the Park. Mr Tony TSE enquired about the "large-sized facilities and modules" and transportation arrangements involved in the "temporary arrangement for construction". Given that the site formation and infrastructure works would be concurrently carried out on the site concerned, he enquired whether the Administration and HKSTPC could coordinate with relevant works

departments on the transportation arrangements for the large-sized facilities and modules, so as to reduce the associated costs. Mr TSE requested the Administration to provide supplementary information on the aforesaid issues.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC180/20-21(01) on 18 June 2021.]

38. S for IT advised that the Government would explore feasible ways to coordinate the transportation arrangements by leveraging the surrounding geographical conditions of the Loop, for example, the delivery of large-sized facilities or materials for the building works to the construction site in the Park by river-borne carriage.

39. Ir Dr LO Wai-kwok expressed support for the item. He considered that the district cooling system and sewerage system of the Batch 1 development of the Park were in line with the environment-friendly principle since both of them would be available for use by buildings in the remaining batches of the Park's development.

40. Mr Jimmy NG enquired whether the temporary sewage treatment facilities in the Batch 1 development could meet the development needs of the Park before the commissioning of the permanent sewage treatment facilities in the second half of 2026.

41. Mr SHIU Ka-fai and Mr Tony TSE noted that the temporary sewage treatment facilities might cease operation upon completion of the Batch 1 development of the Park. Mr SHIU enquired about the reasons for the provision of temporary sewage treatment facilities and whether there was any alternative option for the Park. For instance, the Park could offer tenants the option of renting premises currently managed by HKSTPC under the condition that temporary sewage treatment facilities would not be provided and the tenants concerned would have to wait until the construction of buildings and associated sewage treatment facilities of the Park was completed before moving into the Park. Mr TSE pointed out that there was a time lapse of about one year between the completion dates of the temporary and permanent sewage treatment facilities. He requested the Administration to reply as to whether it had considered other alternatives in lieu of the construction of temporary sewage treatment facilities, and how it would handle the temporary sewage treatment facilities upon completion of the permanent sewage treatment facilities.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC180/20-21(01) on 18 June 2021.]

42. S for IT replied that temporary sewage treatment facilities would be provided in the Batch 1 development so that tenants could move into the completed buildings before the commissioning of the permanent sewage treatment facilities in the second half of 2026. By doing so, the Batch 1 development of the Park could expeditiously make contributions to Hong Kong's economy. Upon completion of the Batch 1 development, the economic contribution of the Park to Hong Kong was expected to reach about \$5.5 billion per annum. Taking into account the relevant investment returns, it was worthwhile to provide the Batch 1 development of the Park with the temporary sewage treatment facilities.

43. Mr Kenneth LAU enquired whether the Administration would conduct re-planning for sites surrounding the Loop with a view to supporting the Park's development. S for IT replied that the Administration would review from time to time the land use planning for the purpose of optimizing land resources.

44. Given the remoteness of the Park, Mr Jimmy NG enquired whether the Administration could increase the number of residential units in the InnoCell of the Park. Mr Martin LIAO enquired whether the Administration could reserve spaces for the construction of talent apartments in areas along the MTR Northern Link in a move to supplement the supply of residential units in the Park.

45. Mr YIU Si-wing noted that the eight buildings in the Batch 1 development of the Park would be completed in phases from 2024 to 2027. He was concerned that upon completion of the first few buildings in Batch 1 development, quite a number of supporting facilities in the Park might still be under construction. He enquired about the kind of support the Administration would provide to the Park's tenants therein. Mr Jeffrey LAM and Ms YUNG Hoi-yan were also concerned about the supporting facilities for the Loop. Mr LAM enquired about the ancillary transport facilities for the Loop in future.

46. In response, S for IT advised that:

- (a) around 5 000 residential units would be provided in the InnoCell of the Park in the long run. In any case, the Park would be supported by a sophisticated transport network. For instance, the Park was merely about 900 m away from the MTR

Lok Ma Chau Station and tenants of the Park would be served by environment-friendly shuttle buses running between the Park and the MTR Lok Ma Chau Station;

- (b) in addition, according to the plan, apart from the provision of environment-friendly shuttle buses connecting the MTR Lok Ma Chau Station and the Park, bus services linking the Park with the MTR Kam Sheung Road Station and the public transport interchange in Kwu Tung North would also be made available. The Government would also build roads linking the Park with San Tin Highway and Fanling Highway so that the relevant roads and transport services could cater for the transport needs of the Batch 1 development of the Park;
- (c) as far as the planning of the MTR Northern Link was concerned, HSITPL would make the necessary coordination so that the Northern Link could support the Park's development; and
- (d) security-related supporting facilities such as a fire station and an ambulance depot would be commissioned before the completion of the first building of the Park.

47. While expressing support for the item, Ms Elizabeth QUAT enquired how the Administration developed the Park into a Smart Campus in future. S for IT replied that the Government would develop the Park into a Smart Campus with the introduction of intelligent facilities.

#### Cooperating with Shenzhen on innovation and technology development

48. Referring to the Shenzhen/Hong Kong Innovation and Technology Co-operation Zone ("the Co-operation Zone"), Mr Martin LIAO and Mr Kenneth LAU said that the Hong Kong Special Administrative Region ("HKSAR") Government and the Shenzhen Municipal People's Government ("SMPG") would jointly develop the Co-operation Zone, which comprised the Shenzhen Innovation and Technology Zone ("SZ I&T Zone") in Futian and the Park, to leverage the complementary advantages of both Hong Kong and Shenzhen. Mr LIAO enquired about the progress of discussion on the leasing and management of some of the existing buildings in SZ I&T Zone by HKSTPC.

49. Mr Martin LIAO and Mr YIU Si-wing enquired about the details of visa, entry and exit, as well as taxation arrangements for the Co-operation Zone.



50. In response, S for IT advised that:

- (a) the HKSAR Government had initiated discussion with SMPG on granting HKSTPC an option to lease and manage some of the existing buildings in SZ I&T Zone so that interested Hong Kong enterprises and institutions could establish an early presence in SZ I&T Zone, with a view to facilitating their business development in the Greater Bay Area;
- (b) the Government would maintain close communication with SMPG through an established mechanism, under which both sides would discuss measures, including immigration facilitating arrangements, which provided convenience for tenants and talents commuting between the Park and SZ I&T Zone; and
- (c) the Government also sought to promote talent interactions within the Greater Bay Area by riding on the Mainland's preferential taxation policies.

51. Ms YUNG Hoi-yan enquired whether the Administration had discussed with SMPG or the relevant bodies on positioning Shenzhen as the driver of further I&T development in Hong Kong. Mr Michael TIEN enquired about any specific examples illustrating the synergy effects achieved by Hong Kong and Shenzhen in the I&T area.

52. In response, S for IT advised that:

- (a) Hong Kong possessed strengths in the areas of basic scientific research, professional services and financial system while Shenzhen had an edge over prototyping and high-end manufacturing. Situated only a river away from Shenzhen, the Loop would explore measures to facilitate immigration clearance for personnel travelling between the two places. Enterprises based in the Co-operation Zone could also share the use of research equipment; and
- (b) the Government would promote the flows of talents, equipment, resources and data between SZ I&T Zone and the Park.

Attracting and inviting institutions/talents to establish a presence in the Hong Kong-Shenzhen Innovation and Technology Park

53. In light of the China-United States strategic competition and the impact of the Coronavirus Disease 2019 epidemic, Mr Martin LIAO enquired about the measures put in place by the Administration to attract I&T institutions to set up operation in the Park and the progress made in this aspect. Mr Holden CHOW enquired about the arrangements made and actions taken by the Administration in attracting international research and development ("R&D") institutions to establish a presence in Hong Kong.

54. Mr MA Fung-kwok pointed out that the objective of the Park was to render support to various sectors such as R&D, higher education and cultural and creative industries. He enquired about the criteria to be adopted for allocating floor space of the Park for use by various industries. Mr MA was also concerned about the management structure of the Park.

55. In response, S for IT advised that:

- (a) despite the discord between China and the United States, Hong Kong's I&T partners were still supportive of Hong Kong's endeavours in the I&T realm. Coupled with the support from the Mainland Government, the HKSAR Government had confidence in I&T development;
- (b) given that the first building of the Batch 1 development of the Park was expected to be completed by the end of 2024, HSITPL would not launch market campaign nor make tenancy invitation arrangement until then. Based on the Government's observation, quite a number of enterprises had expressed interests in setting up operation in the Park;
- (c) the Park was expected to provide a gross floor area ("GFA") of close to 1.2 million sq m, of which about 56% would be dedicated to R&D purpose, about 15% would be allocated for higher education purpose and the remaining portion would be allocated for use by the cultural and creative industries and the InnoCell, as well as for the provision of commercial and ancillary facilities; and
- (d) in the process of formulating the admission criteria for tenants, the Park would draw reference from the arrangements adopted by HKSP and examine whether the interested enterprises were suitable for admission into the Park.

56. As for enterprises who were interested in renting premises in HKSP or the Industrial Estates, PS(IT) supplemented that at present, HKSTPC would first examine factors such as the investment amounts, operational projects, and the volume of R&D input devoted by such enterprises before considering whether tenancies would be granted to them.

57. Mr MA Fung-kwok enquired how the Administration would tap into the geographical advantages of the Park's proximity to Shenzhen in favour of the Park's development and whether the Administration would consider relaxing the conditions for the admission of talented professionals with a view to facilitating non-local professionals to come and work in the Park.

58. Mr YIU Si-wing enquired whether the Administration would set a limit on the ratio of Hong Kong and Mainland personnel serving in the Park.

59. S for IT advised that:

- (a) Hong Kong already had talent admission schemes in place to cater for the demand for non-local R&D talents. The relevant arrangements would also be applicable to the Park; and
- (b) regarding the ratio of Hong Kong and Mainland talents, Hong Kong companies were currently required to employ several local employees or young persons for each non-local technology talent admitted under the Technology Talent Admission Scheme.

Nurturing innovation and technology talents and offering other software support

60. Mrs Regina IP was concerned about Hong Kong's lack of commitment in promoting open data and the Administration's insufficient software support for the Park. She requested the Administration to provide the programmes offered by the eight universities funded by the University Grants Committee for nurturing talents in six major technology areas including healthcare technologies, big data and artificial intelligence, robotics, new material, microelectronics and financial technology.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC180/20-21(01) on 18 June 2021.]

61. In response, S for IT advised that:

- (a) the Government had all along been committed to promoting open data. At present, around 4 200 different datasets had been opened up for access. Furthermore, the HKSAR Government and SMPG were exploring the opening up of certain data (e.g. traffic data) among cities in the Greater Bay Area to dovetail with the Park's development; and
- (b) among about 100 000 students (including those studying sub-degree, undergraduate and taught postgraduate programmes) attending universities in Hong Kong, over 30 000 of them were pursuing studies in subjects related to Science, Technology, Engineering and Mathematics ("STEM").

62. Ms Alice MAK considered that software support was pivotal to I&T development. She enquired how the first eight buildings of the Batch 1 development of the Park could help promote exchanges among members of the I&T industry upon their completion. S for IT replied that the various facilities to be provided in the Batch 1 development of the Park could help promote exchanges among members of the I&T industry. Such facilities included wet laboratories which would occupy more than half of the total GFA, common space and the InnoCell. PS(IT) supplemented that a vibrant R&D atmosphere and an ample provision of related facilities could help promote scientific research and exchanges, thereby generating new ideas and inventions. Taking HKSP as an example, she further explained that the extremely high utilization rate of HKSP had constrained the room for tenants to pursue further development.

63. The meeting was suspended at 4:28 pm and resumed at 4:40 pm.

#### Voting on FCR(2020-21)87

64. At 5:28 pm, the Chairman put item FCR(2020-21)87 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 27 members voted in favour of and one member voted against it. One member abstained from voting. The votes of individual members were as follows:

*For:*

Mr Abraham SHEK Lai-him	Mr Jeffrey LAM Kin-fung
Ms Starry LEE Wai-king	Mrs Regina IP LAU Suk-ye
Mr Michael TIEN Puk-sun	Mr Frankie YICK Chi-ming

Mr YIU Si-wing	Mr MA Fung-kwok
Mr LEUNG Che-cheung	Ms Alice MAK Mei-kuen
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Ms Elizabeth QUAT	Mr Martin LIAO Cheung-kong
Mr POON Siu-ping	Ir Dr LO Wai-kwok
Dr Junius HO Kwan-yiu	Mr Holden CHOW Ho-ding
Mr SHIU Ka-fai	Ms YUNG Hoi-yan
Dr Pierre CHAN	Mr CHAN Chun-ying
Mr CHEUNG Kwok-kwan	Mr LUK Chung-hung
Mr LAU Kwok-fan	Mr Kenneth LAU Ip-keung
Mr Vincent CHENG Wing-shun	
(27 members)	

*Against:*

Dr CHENG Chung-tai  
(1 member)

*Abstained:*

Mr Tony TSE Wai-chuen  
(1 member)

65. The Chairman declared that the item was approved.
66. The meeting ended at 5:33 pm.