

Press Release
For Immediate Release

Cyberport Welcomes Policy Address on Developing New Quality Productive Forces to Enhance Various Industries

*Facilitating Digital Transformation and Financial Innovation of Enterprises
Increasing Investment in I&T and Promoting Headquarters Economy*

Hong Kong, 16 October 2024 – Cyberport welcomes the Chief Executive’s announcement today in his Policy Address, outlining several forward-looking strategies and concrete measures to accelerate the development of the innovation and technology (I&T) ecosystem and industry. These initiatives aim to drive the development of new quality productive forces by empowering various industries to undergo digital transformation, increasing investment in I&T, pooling international resources to promote the headquarters economy, and advancing high-quality development of the digital economy.

Simon Chan, Chairman of Cyberport, said, “The latest Policy Address has put forward leading I&T strategies and further strengthened effective initiatives to inject new impetus into the high-quality development of Hong Kong’s digital economy, by expanding resource investment in I&T, reinforcing the local I&T ecosystem, strengthening the development of new quality productive forces and expanding support programmes to drive the digital transformation of a wider range of enterprises. Cyberport will continue to complement the HKSAR Government’s strategy of attracting strategic enterprises to establish international headquarters in Hong Kong and to leverage Hong Kong’s unique role as a ‘super-connector’ and ‘super value-adder’. As Hong Kong’s digital technology flagship and incubator for entrepreneurship, Cyberport will continue to nurture innovative and entrepreneurial talents, promote technology industry development, accelerate the translation and popularisation of I&T innovations, and pool innovative resources and talents from home and abroad, thereby helping Hong Kong to move towards the vision of becoming an international I&T hub.”

Accelerating digital transformation of SMEs

Cyberport welcomes the measure in the Policy Address to expand the coverage of the Digital Transformation Support Pilot Programme (DTSP), extending from retail and catering to service industries such as tourism and personal services. This scheme will subsidise small and medium enterprises (SMEs) on a one-to-one matching basis to undergo digital transformation, helping businesses increase sales, reduce costs, enhance operational efficiency, and broaden client base, ultimately strengthening their competitiveness. Last year, the HKSAR Government allocated HK\$500 million through Cyberport to implement pilot scheme, offering matching grants of up to HK\$50,000 to assist SMEs in adopting ready-to-use basic digital solutions, including digital payment solutions and in-store sales, online

promotion, customer management, and discount systems. Currently, Cyberport received 3,400 applications from SMEs.

Increase investment for I&T industries

Cyberport welcomes the Government to set up a HK\$10 billion I&T Industry-Oriented Fund to channel more market capital to invest in specified emerging and future industries of strategic importance, including life and health technology, AI and robotics, semi-conductors and smart devices, advanced materials, and new energy. It also optimises the Innovation and Technology Venture Fund to enhance Hong Kong's I&T ecosystem. Cyberport has been proactively facilitating start-ups in raising funds. For instance, with co-investments, the total investment amount of the Cyberport Macro Fund (CMF) has reached HK\$1.94 billion with a co-investment ratio of 1:9. The Cyberport Investors Network (CIN) has facilitated project matchings, culminated in funding of HK\$2.59 billion. To date, Cyberport start-ups have raised over HK\$41.2 billion.

Development of new quality productive forces in full steam

Cyberport welcomes the HKSAR government to expedite the development of new quality productive forces, utilising technology to empower industries for advancement and transformation, thereby fostering high-quality economic development. Artificial Intelligence (AI) is a key element of new quality productive forces, strategically positioned within emerging and future sectors. As Cyberport nears completion of Hong Kong's largest Artificial Intelligence Supercomputing Centre ("AISC"), the foundation is set for a sophisticated ecosystem encompassing computing power construction, model introduction, model evaluation, system integration, technical support, talent cultivation, etc., all aimed at propelling industrial evolution. The HKSAR government has previously allocated HK\$3 billion through Cyberport to implement the AI Subsidy Scheme, funding local universities, research institutions, and companies to harness the computational power of the supercomputing centre. This will play a pioneering and demonstrative role, encouraging local institutions and companies to extensively apply computational power to leverage the vast potential of AI. Simultaneously, it aims to attract start-ups and research talents from both local and overseas, enhancing Hong Kong's fundamental scientific research and international advantages. The subsidy scheme has been accepting applications since October 2024.

Driving FinTech innovation applications

Cyberport supports the HKSAR government in continuing to build the FinTech Innovation Ecosystem, promoting innovative financial services such as Central Bank Digital Currencies (CBDCs), mobile payments, virtual banks, virtual insurance and virtual asset (VA) transactions. Cyberport brings together the largest fintech community in Hong Kong, comprising over 430 FinTech start-ups and tech companies, covering diverse fields including digital assets and digital currencies, wealth management, virtual insurance, virtual banking,

payment and remittance, green finance, compliance and regulation, lending technology and blockchain applications.

Cyberport also welcomes the HKSAR government's efforts to further improve the regulation of VA trading. Recently, Hong Kong Virtual Asset Exchange (HKVAX) was granted a licence by the Securities and Futures Commission (SFC), becoming the third licensed company in Hong Kong and the second Cyberport member to operate a virtual asset trading platform.

The Hong Kong Monetary Authority (HKMA) is advancing Project Ensemble, a financial market infrastructure initiative. Recently, Cyberport start-ups EVIDENT and Linked Charge were selected to participate in the green and sustainable finance component of the Project Ensemble Sandbox, collaborating on the tokenisation of Real World Asset (RWA) and utilising blockchain technology to enhance the transparency and efficiency of green and sustainable finance. Additionally, Cyberport start-ups, including Negawatt and Hamsa, are contributing to Phase 2 of the e-HKD Pilot Programme, driving innovations in e-HKD, tokenised deposits, and other new forms of digital currency innovative applications to facilitate the development of digital currency settlements.

Cyberport also continues to promote the Generative Artificial Intelligence (GenA.I.) Sandbox in collaboration with the HKMA, allowing the financial industry to explore related technologies in a safe and effective environment, fostering financial innovation while establishing risk management mechanisms to aid in the formulation of regulatory frameworks. Another collaborative initiative, The Fintech Supervisory Sandbox (FSS) 3.1 Pilot Scheme, provides development stage funding for successfully selected and completed FinTech projects, helping to commercialise FinTech outcomes and accelerate their widespread application in the financial industry.

Strengthening the headquarters economy by attracting enterprises from the Mainland and overseas

In response to the HKSAR Government's strategy to enhance efforts in attracting key enterprises from the Mainland and overseas to set up their headquarters or branch offices in Hong Kong, Cyberport will continue to align with this direction. In recent years, Cyberport has proactively attracted several key enterprises. Over the past year, about 70 local and overseas enterprises have set up operations in Cyberport, pooling together I&T capital, technology, and talent, and promoting R&D and applications across various technological fields, thereby enhancing support for I&T talents and economic value.

Cyberport has also continued to expand its overseas network. During the year, Cyberport has entered into cooperation with KACST, a national technology city in Saudi Arabia, and d.camp, an I&T centre in South Korea, to facilitate the two-way establishment of enterprises and strengthen I&T exchanges between the regions. On the Mainland side, Cyberport has deepened its cooperation with the Qianhai Authority of Shenzhen and established partnership with the China Academy of Information and Communications Technology,

Huawei, Baidu, Ant Group, ZGC Science City, Beijing International Big Data Exchange, Beijing Xicheng District Data Bureau, GUI Service Platform, Shangcheng District of Hangzhou City, and The Shenzhen-Hong Kong Union for Promoting Science and Technology, laying a solid foundation for introducing more outstanding enterprises from the Mainland.

Northern Metropolis

Cyberport is fully committed to supporting the development of a modern logistics clusters in the Hung Shui Kiu/Ha Tsuen New Development Area (NDA). Cyberport is now taking forward the planning study on positioning Lau Fau Shan as a digital technology hub. The relevant I&T facilities will drive the digital transformation of the traditional economy with advanced technology, connect with the development advantages of modern service industries in Qianhai of Shenzhen, and accelerate the synergistic development of modern service industries in Shenzhen and Hong Kong.

Integration of cultural, sports and tourism development to foster international cultural exchange

The HKSAR Government will continue to enhance Hong Kong's position as East-meets-West Centre for International Cultural Exchange and deepen the integration of culture, creative industries, sports and tourism. Cyberport is committed to promoting the integration of arts and technology, providing start-ups with resources to develop Art Tech and a platform to showcase their innovations, including establishing cooperation with the Hong Kong Designers Association to provide more diversified technological support for artists; connecting more than 12 ArtTech start-ups and the Leisure and Cultural Services Department to promote the use of ArtTech in the East Kowloon Cultural Centre and co-organising digital art exhibitions with different arts groups to promote the digital cultural and creative industries. Following the development of sports industry, Cyberport also welcomes the Policy Address promotion of sports arbitration and enhancement of development of elite athletes and coaches. The application of SportsTech solutions developed by Cyberport's start-ups in referee enforcement, match analyses and professional training for athletes will help enhance the effectiveness of athlete training and the fairness of competitions.

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About Cyberport

Cyberport is Hong Kong's digital technology flagship and incubator for entrepreneurship with over 2,100 members including over 900 onsite and over 1,200 offsite start-ups and technology companies. It is managed by Hong Kong Cyberport Management Company Limited, wholly owned by the Hong Kong Special Administrative Region Government, and committed to the vision to inject new impetus into digital economy and smart city development through innovation and technology, and to connect enterprises to Mainland China and overseas markets. Cyberport strives to nurture a vibrant tech ecosystem by cultivating talents, promoting entrepreneurship among the youth, supporting start-ups, fostering technology industry development by promoting strategic collaboration with local, Mainland Chinese and international partners, and integrating new and traditional economies by accelerating digital transformation in public and private sectors.

For more information, please visit <http://www.cyberport.hk>.