

# Opening remarks by S for IT at Cyberport Venture Capital Forum 2018 (English only) (with photos)

Following are the opening remarks by the Secretary for Innovation and Technology, Mr Nicholas W Yang, at the Cyberport Venture Capital Forum 2018 today (November 8):

George (Chairman of the Board of Directors of the Hong Kong Cyberport Management Company Limited, Dr George Lam), Duncan (Chairman of the Cyberport Investors Network Steering Group, Mr Duncan Chiu), distinguished guests, friends, ladies and gentlemen,

Good morning. Welcome to the Cyberport Venture Capital Forum or CVCF 2018. Connecting investors, industry professionals and start-up entrepreneurs, CVCF provides a unique platform to share insights on innovation and technology trends in the digitally connected economy, and also to foster investment matching opportunities focusing on early stage innovation and technology start-ups.

I understand George has given you a lot of exciting numbers. And I'm very excited to always come back to Cyberport not because I started this Forum, but because every time I come here, I can feel the youth, the dynamism, the energy and also the international presence at Cyberport. I do want to point out that there are now over 2 000 tech start-ups in Hong Kong, and about 30 per cent of them are started by non-Hong Kongers. So you will see Austrians, French, Israelis. They will be hanging around Cyberport all the time.

Over the years, Cyberport has put in substantial resources and efforts in nurturing start-ups, and providing them with a conducive environment to grow through various support programmes. Today, the Cyberport community is a vibrant innovation and technology ecosystem consisting of over 1 200 tech companies and start-ups. This ecosystem, however, would not be complete without adequate financial support for the start-ups to thrive.

It has been our top priority since establishing the Innovation and Technology Bureau back in November 2015 to address the various missing links in our ecosystem, such as the funding gap for start-ups at the seed and also the Series A stages. Three years down the road, we now have the HK\$200 million Macro Fund here at Cyberport, the HK\$50 million Corporate Venture Fund offered by Hong Kong Science and Technology Parks Corporation and the HK\$2 billion Innovation and Technology Venture Fund, also known as ITVF, administered by the Innovation and Technology Commission. These funds all aim to offer our local technology start-ups a real chance to fully develop their innovative ideas and create disruptive technology products and services.

The Cyberport Macro Fund helps start-ups in the Cyberport community to

bridge the seed to Series A funding gap. Since its establishment in August 2016, the Macro Fund has invested in seven start-ups totalling about HK\$48 million. More investments are in the pipeline.

The Corporate Venture Fund at Science Park was established back in July 2015, and it has invested HK\$50 million in nine start-ups in Hong Kong Science Park. In August 2018, six venture capital (VC) funds were selected as partners of the HK\$2 billion ITVF. These professional VC funds will co-invest with the HKSAR Government in local start-ups all over Hong Kong on a 2:1 matching basis. Our aim is to cover the Series A gap.

I am glad that Cyberport is complementing the Government's effort by establishing the Cyberport Investors Network, or CIN, last year. Thanks to the efforts of George, Duncan and the Cyberport management team. In just one year's time, CIN has attracted over 80 leading private equity and VC funds, corporate investors, family and angel investors from Hong Kong, the Mainland and other countries such as Korea, Singapore, Israel and the UK. All of them are working together to help drive the deal flow at Cyberport. To date, CIN members have invested in 10 start-ups and technology companies, with a total investment of HK\$234 million.

Another piece of good news just came in last week. I witnessed in Tokyo the signing of collaboration between Cyberport and Mizuho Financial Group. Mizuho will join the Cyberport Investors Network and help Cyberport's start-ups to enter the Japanese market and connect them with investors in Japan. The progress made has been extremely encouraging, with remarkable growth momentum for the Cyberport community.

Apart from reaching a record high number of over 1 200 technology companies and start-ups, 25 of Cyberport start-ups attracted over HK\$3.89 billion of investment funding during the first half of 2018-19 fiscal year. This is just in April to September this year. In addition to GoGoVan, we are also seeing more unicorn successes such as our home-grown Klook, an online travel agency, having landed US\$200 million in its latest Series D funding. Looking to hit the US\$1 billion bookings this year, Klook plans to expand to the US and European markets. Our fintech cluster has also grown to a community of more than 300 companies, covering from blockchain technology to cybersecurity to artificial intelligence and big data. Cyberport is now one of the leading fintech hubs in Asia.

This year, the HKSAR Government allocated HK\$200 million in new funding to Cyberport to strengthen the support for incubatees at the Cyberport Incubation Programme, and to introduce the Market Development Support Scheme to help start-ups enter the overseas and Mainland markets more quickly, and also to establish an Easy Landing Scheme to attract multi-national tech companies to enrich Cyberport's ecosystem.

I would like to thank and congratulate Cyberport for hosting the CVCF 2018, gathering seasoned venture capitalists and innovative entrepreneurs to exchange ideas, share insights, connect and generate deal flows. I wish you all a fruitful and enjoyable experience at the Forum. And I shall look forward to hearing more exciting developments and good news from Cyberport in

the near future. Thank you very much.

