

# LCQ20: Research and Development Centres under purview of Innovation and Technology Commission

Following is a question by the Hon Jimmy Ng and a written reply by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, in the Legislative Council today (November 27):

Question:

It is learnt that the Innovation and Technology Commission (ITC) adopts six indicators (including (i) the level of industry income, (ii) the number of ongoing projects involving industry participation, (iii) the number of companies participating in the ongoing projects, (iv) the number of organisations benefiting from the Public Sector Trial Scheme, (v) the number of researchers engaged under the Research Talent Hub, and (vi) the number of patents filed and granted) to evaluate the work progress and performance of the five Research and Development (R&D) Centres under its purview (including the Automotive Platforms and Application Systems R&D Centre, the Hong Kong Applied Science and Technology Research Institute, the Hong Kong Research Institute of Textiles and Apparel, the Logistics and Supply Chain MultiTech R&D Centre, and the Nano and Advanced Materials Institute). In this connection, will the Government inform this Council:

(1) given that, in the reply to a question raised by a Member of this Council on November 8 last year, the Government indicated that ITC hoped to gradually raise the target of the indicator for evaluating the performance of the R&D Centres in item (i) above (i.e. the level of industry income) to 50 per cent in the coming few years, yet the Government indicated in its paper submitted to the Panel on Commerce, Industry, Innovation and Technology of this Council on June 18 this year that it was considering raising the target to 40 per cent in 2024-2025, and would explore the possibility of raising the target further to 50 per cent in the long run, of the reasons for the relevant change and the latest timetable for raising the target;

(2) whether it will include more indicators for evaluating the performance of the R&D Centres, such as the success rate of patents granted and the number of new projects undertaken each year; if so, of the details; if not, the reasons for that;

(3) given that, in the reply to a question raised by a Member of this Council on November 8 last year, the Government indicated that ITC did not keep the number of patents of the R&D Centres which had been successfully commercialised and the income involved, of the reasons for that; whether ITC will compile relevant statistics in the future, so as to enable the community to conduct a value for money evaluation of the R&D Centres' work on conducting technology transfer to the industries; if so, of the details; if not, the reasons for that; and

(4) whether it will introduce more new measures to encourage enterprises to more actively allocate resources to conduct scientific research; if so, of the details; if not, the reasons for that?

Reply:

President,

The public research and development (R&D) Centres not only conduct applied research in respective key innovation and technology (I&T) areas, but also act as focal points for technology collaboration among the Government, industry, academia and research sectors, thereby complementing the implementation of the relevant development directions and strategies under the Hong Kong Innovation and Technology Development Blueprint and the development of new quality productive forces and working together to promote Hong Kong as an international I&T centre. While the Government has continued to provide resources to the R&D Centres, we have continuously monitored their performance through different performance indicators and reported to Legislative Council (LegCo) on their work progress regularly. In response to the various parts of the question, the reply is as follows:

(1) The Innovation and Technology Commission (ITC) has set a target of the level of industry and other income at 30 per cent since 2017-18. ITC has raised the target to 35 per cent in 2023-24. Having further reviewed the R&D Centres' performance and the overall economic situation in Hong Kong, ITC has shortly further raised the target to 40 per cent in 2024-25 and is exploring the possibility of raising the target further to 50 per cent in the long run. The Government needs to strike a balance between raising the target to encourage the R&D Centres to strengthen co-operation with the industry and taking into account the fact that the R&D Centres bear the public mission of transferring technology to the industry extensively and other objective factors (e.g. overall economic situation). Therefore, we consider it more desirable to keep in view the economic development before hammering out the implementation timetable of adopting a new target.

(2) At present, the R&D Centres report to ITC regularly on their operation and R&D project progress (including number of new projects commenced and patent application) etc., and summarise their work in various aspects in their annual reports, allowing ITC to assess their overall performance. ITC also regularly reports to the Panel on Commerce, Industry, Innovation and Technology (CIIT Panel) of LegCo on the work progress and relevant performance figures (including the six performance indicators) of the R&D Centres. As the nature and scale of the R&D Centres are different, it is difficult to devise a set of uniformed quantifiable key performance indicators. ITC will continue to maintain close liaison with the R&D Centres and review their performance from time to time, with a view to introducing and setting new key performance indicators as and when appropriate.

(3) The R&D Centres not only conduct technology transfer through licensing their patents, but also conduct collaborative projects with the industry and conduct contract researches for the industry to transfer technology to the industry. If an industry partner has contributed at least 50 per cent of the

total project cost, it is entitled to the intellectual property generated from that R&D project for commercialisation directly without the need to involve any licensing arrangement. Furthermore, some of the R&D Centre-owned patents are R&D outcome of exploratory nature, which are to pave way for conducting more downstream projects with the industry in the future.

ITC regularly reports to LegCo CIIT Panel on the R&D Centres' commercialisation and other income. In 2023-24, the R&D Centres received \$158.9 million commercialisation and other income in total, representing an increase of about 23 per cent as compared with that in 2022-23. The R&D Centres bear the public mission of conducting technology transfer to the industry, and their objective for conducting applied R&D and technology transfer is not about making profits. In determining the licensing fee and model, the R&D Centres will take into account a basket of factors, including R&D project cost, scale of the licensee (e.g. small and medium enterprises will be given a minimal initial licensing fee), projected business returns of the licensee, scale of application of the technology being licensed, etc.

It is evident from the above that simply using the number of patents with successful commercialisation and profits involved to measure the work of the R&D Centres in transferring technology to the industry may not fully reflect the R&D Centres' performance in this respect. In fact, as at end-March 2024, there were 414 on-going projects (including 231 projects involving industry participation) under the R&D Centres. There were 445 companies participating in these on-going projects. All these demonstrated that the projects could meet the needs of the industry. Examples of R&D outcomes that have been successfully commercialised include the high-protective training footwear for the Hong Kong Olympics fencing team and the application of innovative hybrid modular integrated construction technology that combines steel and ultralight high-strength concrete for constructing an elderly's home in Sha Tin. The R&D Centres bring economic contributions through helping enterprises to adopt R&D outcomes in technology upgrading and transformation. Between 2017-18 and 2022-23, the R&D Centres have brought about \$23.8 billion economic contributions towards Hong Kong, averaging around \$4 billion per year. We will continue to monitor the R&D Centres' performance and urge the R&D Centres to strengthen their work on transferring technology to the industry.

(4) To encourage more enterprises to conduct R&D in Hong Kong, the Government made amendments to the Inland Revenue Ordinance in 2018 to provide a two-tiered enhanced tax deduction regime for expenditure on "qualifying R&D activities" incurred by enterprises on or after April 1, 2018. The deduction is 300 per cent for the first \$2 million of "qualifying R&D expenditure" incurred by enterprises and 200 per cent for the remaining amount. There is no cap on the amount of the relevant tax deduction. Among the tax returns received as at September 30, 2024, the claims for tax deduction on R&D expenditure for the year of assessment 2022/23 was about \$3.9 billion, which has more than doubled that of \$1.67 billion in the year of assessment 2017/18 (i.e. prior to the implementation of the measure). This indicated that the tax measure could attract and encourage enterprises to devote more resources in local R&D activities. Besides, some funding schemes under the Innovation

and Technology Fund also encourage enterprises to invest in R&D. For instance, the Enterprise Support Scheme provides funding to companies for conducting in-house R&D projects; the Research and Development Cash Rebate Scheme encourages companies to establish stronger partnership with local public research institutes etc.

In addition to fostering collaboration among the Government, industry, academia and research sectors, the current-term Government will increase investment and guide more social capital to invest in I&T industries, reflecting a revamped approach of the Government in this aspect. As announced in the 2024 Policy Address, one of such measures is to set up a \$10 billion I&T Industry-Oriented Fund to form a fund-of-funds which will be industry-centric and focus on industry development. By leveraging market capital, more investments will be driven to specified emerging and future industries of strategic importance, including life and health technology, AI (artificial intelligence) and robotics, semi-conductors and smart devices, advanced materials and new energy, etc. We will also optimise the Innovation and Technology Venture Fund by redeploying \$1.5 billion to set up funds jointly with the market, on a matching basis, to invest in start-ups of strategic industries, with a view to enhancing Hong Kong's startup ecosystem.

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## **CFS announces test results of targeted surveillance on nutrition labelling of canned meat**

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department today (November 27) released the test results of a targeted food surveillance project on the nutrition labelling of canned meat. Among 40 samples tested, two samples were found with saturated fatty acids or sugars content inconsistent with the declared values on their nutrition labels, while one sample was found with the heading of the list of ingredients not properly declared on the food label. The remaining 37 samples passed the test.

"The CFS collected samples from different retail outlets for the targeted food surveillance project. Tests were conducted to check if the energy content and specified nutrient content (total fat, saturated fat, trans fat, sugars, sodium, protein, carbohydrates, and more) are consistent with the declared values on their nutrition labels. The food labels were also checked to see if they comply with relevant requirements under the laws," a spokesman for the CFS said.

The CFS has announced the irregularities on the actual nutrient contents earlier. The vendors concerned have also stopped selling the relevant batch

of the affected products. Prosecution will be instituted should there be sufficient evidence.

The Food and Drugs (Composition and Labelling) Regulations (Cap. 132W) require all applicable prepackaged foods to list the ingredients and the content of energy plus seven core nutrients, namely carbohydrates, protein, total fat, saturated fat, trans fat, sodium and sugars, and regulate any associated nutrition claims. The list of ingredients of all prepackaged food shall also be preceded by an appropriate heading consisting of the words "ingredients", "composition", and "contents" or words of similar meaning.

Nutrition labelling can assist consumers in making informed food choices, encourage food manufacturers to apply sound nutrition principles in the formulation of foods, and regulate misleading or deceptive labels and claims. According to Section 61 of the Public Health and Municipal Services Ordinance (Cap. 132), if any person falsely describes food or misleads as to the nature, substance or quality of the food on a label of the food sold by him or her, he or she shall be guilty of an offence and be liable to a maximum fine of \$50,000 and six months' imprisonment upon conviction.

The CFS will continue to conduct surveillance on other food samples to check if their energy content and specified nutrient content are consistent with the declared values on their nutrition labels, and the results will be released in due course. The spokesman reminded the food trade to comply with the law, and urged members of the public to pay attention to the information on nutrition labels when purchasing food to make informed food choices to achieve a balanced diet and stay healthy.

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## **LCQ16: Arrangements for restricting vehicles of certain weight from entering designated road sections**

Following is a question by the Hon Rock Chen and a written reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (November 27):

Question:

It is reported that under the Road Traffic (Traffic Control) Regulations (Cap. 374G), vehicles weighing three tonnes and above are required to apply for prior permits for entering designated road sections, failing which the persons concerned are liable to fines and imprisonment. On the other hand, there are views that electric vehicles (EVs) are a major trend of future development, and some new EV models nowadays weigh more than three tonnes. In this connection, will the Government inform this Council:

(1) of the current number of road sections in Hong Kong which are subject to the restriction that vehicles weighing three tonnes or more are required to apply for a permit before entering; the respective numbers of traffic accidents involving vehicles weighing three tonnes or above at road sections with such a restriction in each of the past five years, with a breakdown of the vehicles involved by type;

(2) of the rationale for restricting entry of vehicles weighing more than three tonnes on certain road sections; in the face of the rising popularity of EVs and the increase in vehicle weight, whether the Government has assessed if the restriction fails to align with the actual situation, and whether it has any specific plans or timetables for adjusting the existing road load restriction; if so, of the details of the implementation of such plans; and

(3) whether it has drawn on the experience and practices of other countries or regions in handling similar issues; if it has, of the details, and whether such experience and practices are applicable to Hong Kong; if it has not, the reasons for that?

Reply:

President,

In consultation with the Transport Department (TD), my consolidated reply to the questions raised by the Hon Rock Chen is as follows:

(1) The TD has been considering corresponding vehicle weight limits in accordance with the Road Traffic (Traffic Control) Regulations (Cap. 374G) based on road conditions and traffic management needs of individual road sections, so that vehicles can travel safely on suitable roads. At present, there are 17 road sections in Hong Kong with a three tonnes weight limit, prohibiting vehicles exceeding three tonnes in gross vehicle weight (GVW) from driving through. If one intends to drive a vehicle exceeding three tonnes in GVW through these road sections, he/she shall apply to the TD for relevant permits.

According to the TD's record, between January 2019 and October 2024, within the road sections with three tonnes weight limits, the number of traffic accidents involving vehicle classes with a maximum GVW exceeding three tonnes are tabulated in the Annex.

(2) and (3) The TD makes reference to regulations and experiences in places outside Hong Kong from time to time, to review and formulate road safety strategies, standards and measures based on local road conditions, traffic management needs and development of technology when appropriate. The TD also maintains close communication with the trade for feedback.

When implementing the relevant weight limits, the TD will consider factors such as narrow carriageways, numerous bends, steep gradients, to determine whether the road sections are suitable for the use by larger, heavier vehicles to ensure the safety of road users.

Considering that some electric private cars and electric taxis may exceed three tonnes in GVW but their size, occupation of road space and operation are similar to general fuel-propelled or hybrid private cars and taxis, the TD plans to exempt all private cars and taxis from the permit requirement for entering road sections with three tonnes weight limits. The TD is arranging local consultations on the proposals. Subject to the consultation outcome, the proposals are expected to be implemented in 2025.

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## LCQ8: Supporting students with special educational needs in post-secondary institutions

Following is a question by Dr the Hon Chow Man-kong and a written reply by the Acting Secretary for Education, Dr Sze Chun-fai, in the Legislative Council today (November 27):

Question:

It is learnt that the community has all along been concerned about whether various post-secondary institutions can adequately support students with special educational needs (SEN) in terms of their learning needs, so as to equip them for pursuing further studies and joining the workforce. In this connection, will the Government inform this Council:

- (1) whether it knows the number of SEN students studying in the eight universities funded by the University Grants Committee (UGC) (the eight universities) in the current academic year, together with a breakdown by type of SEN, including but not limited to hearing impairment, visual impairment, physical disability, and specific learning difficulties;
- (2) as the Government has indicated in its reply to a question raised by a Member of this Council on November 8 last year that the UGC further allocates additional resources to the eight universities between 2022 and 2025 by providing an additional special funding of \$67.5 million for the Special Grant to Enhance the Support for Students with Special Educational Needs (the Special Grant), which seeks to enable the universities to (i) enhance the teaching and learning experience of SEN students, (ii) strengthen staff training, and (iii) promote campus integration, whether the Government knows the actual amount of funding granted to each university, the expenditure on items (i) to (iii), as well as the relevant specific measures and their effectiveness respectively;
- (3) whether it knows if the UGC will extend or regularise the Special Grant in the future to continuously implement one of the strategic recommendations

of the Persons with Disabilities and Rehabilitation Programme Plan, which is to provide adequate resources and ensure equal opportunities for SEN students to receive higher education or pursue further studies; if the UGC will, of the estimated relevant annual expenditure; if not, the reasons for that;

(4) as some organisations and their assistance seekers have relayed that some university students need to engage sign language interpretation services to support their studies, but due to limited study hours funded by their universities, rather exorbitant sign language interpretation costs have to be borne by such students in their three or four-year undergraduate programmes, whether the authorities will require the eight universities to strengthen the support for such students and ensure that the relevant measures are put in place in a proper and effective manner, so that no such students will be unable to complete their studies or pursue further studies because of lack of means; if so, of the details; if not, the reasons for that; and

(5) whether the authorities will consider offering dedicated post-□secondary programmes that are suitable and able to provide support for SEN students, complemented by related all-round support services (including but not limited to sign language interpretation), so that they can equip themselves and join the workforce; if so, of the details; if not, the reasons for that?

Reply:

President,

The eight University Grants Committee (UGC)-funded universities have all along been making special teaching arrangements and providing support services to students with special educational needs (SEN).

Our replies to Dr the Hon Chow Man-kong's questions are as follows:

(1) In the past three academic years (AY), the numbers of full-time UGC-funded sub-degree and undergraduate students with SEN (Note 1) are tabulated below by their types of SEN –

Type of SEN	2021/22 AY	2022/23 AY	2023/24 AY (provisional figures)
Special Learning Disabilities	102	120	163
Autism	89	97	109
Attention Deficit / Hyperactivity Disorder	152	189	276
Physical disability	38	32	43
Visual impairment	32	36	35
Hearing impairment	83	81	98



Speech and language impairment	17	13	10
Mental illness	201	301	419
Others (Note 2)	233	284	355
Total	947	1 153	1 508

Note 1: The numbers of students with SEN are based on information provided by individual students.

Note 2: Including different types of disabilities, visceral disability /chronic illness, etc.

We do not have the relevant figures for the 2024/25 AY for the time being.

(2) and (3) To assist students with SEN in pursuing UGC-funded programmes and adapt to campus life, as well as promoting an inclusive culture, the UGC has launched the Special Grant for Enhancing Support for Students with SEN (the Special Grant) since 2015 to provide additional resources for universities to take forward three key objectives, i.e. (i) improving the educational experience of students with SEN, (ii) enhancing staff training and (iii) promoting an inclusive campus. The subsidy scope of the Special Grant is comprehensive, with specific initiatives covering professional services such as educational psychology services, development of e-learning platforms, enhancement of awareness of students with SEN through seminars, workshops, online resources, etc, implementation of integrated education, improvement of campus accessibility, and provision of additional assistive tools for students with SEN, etc.

With the support and efforts of the stakeholders over the years, the Special Grant has been effective in supporting students with SEN and promoting a caring culture among staff and peers. According to the results of surveys conducted by the UGC-funded universities among students with SEN in the 2022/23 AY, the average student satisfaction rating was 4.1 (i.e. above the "satisfactory" level) on a five-point scale. The UGC has also noted the positive impact of the Special Grant on the UGC-funded universities in deepening their institutional changes and addressing the needs of students with SEN in a more organised and systematic manner.

In view of its effectiveness, the UGC has further increased the funding to \$67.5 million in the 2022/23 – 2024/25 (2022-25) triennium to extend and enhance the support for students with SEN, and to expand the scope of funding to cover employment support, etc. The special grant for the 2022-25 triennium was allocated primarily with reference to the average numbers of students with SEN enrolled in full-time publicly-funded sub-degree and undergraduate programmes at the UGC-funded universities in the past five AYs. Allocations of the special grant to the UGC-funded universities are set out in the table below –

UGC-funded universities	Special grant allocated in 2022-25 triennium in \$ million
City University of Hong Kong	7.2
Hong Kong Baptist University	5.0
Lingnan University	3.3
The Chinese University of Hong Kong	11.3
The Education University of Hong Kong	3.4
The Hong Kong Polytechnic University	10.1
The Hong Kong University of Science and Technology	12.8
The University of Hong Kong	14.4
Total	67.5

Regarding the expenditure in different areas, the UGC-funded universities will formulate appropriate support strategies and allocate budgets having regard to their actual circumstances. Overall, the UGC-funded universities deploy about 40 per cent of the funding for staff and general expenses, while about 50 per cent of the remaining funding is deployed to enhance the learning experience of students, 20 per cent to strengthen staff training, and 30 per cent to promote an inclusive campus.

Recurrent funding for the UGC-funded universities is provided on a triennial basis. Like other funding schemes, the existing special grant is aligned with the current funding cycle (i.e. the 2022-25 triennium). For the arrangements of the next triennium, the UGC will continue to communicate with the funded universities closely, and consider the means for supporting the universities as they continue to provide appropriate assistance for students with SEN in a timely manner.

(4) Under the existing arrangements, the UGC-funded universities may make use of the special grant to support students with hearing impairment, including hiring staff to provide sign language interpretation service to support their learning. The UGC believes that the funded universities will balance the needs of different students with SEN and deploy the special grant appropriately to render suitable support, including those with hearing impairment. Meanwhile, with the rapid advancement in technology, the UGC encourages the funded universities to actively explore the use of new technologies and adopt various technological solutions to provide more comprehensive support to students in need in a more cost-effective manner.

(5) Under the existing policy on integrated education, the Education Bureau advocates "equal opportunities and enhancing students' learning having regard to the uniqueness of individual students". With suitable support and assistance from institutions, all students are provided with equal learning

opportunities such that students with SEN can overcome their learning barriers and join the mainstream campus life together with others. On the one hand, the UGC is making use of the special grant to motivate the UGC-funded universities to provide students with SEN with the necessary support, barrier-free facilities and information such that they can learn in the same way as their peers. On the other hand, the special grant promotes an inclusive campus through various means to advocate the sharing of campus life among teachers, students and those with SEN such that they can learn to respect, understand and accept each other, thereby cultivating whole-person development in a wider context. At the same time, with the special grant for the 2022-25 triennium, the UGC has further expanded the scope of funding to cover activities and projects that will help students to join the society and develop their careers in the future. This involves encouraging the universities to provide more comprehensive, targeted and practical support to students with SEN, and to enable them to plan and prepare for their career paths upon graduation as early as possible during their studies. Apart from the special grant, the UGC-funded universities could make use of the block grant to take forward integrated education on their campuses.

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## [LCQ2: Promoting tourism development in Sha Tau Kok](#)

Following is a question by the Hon Kenneth Lau and a reply by the Secretary for Security, Mr Tang Ping-keung, in the Legislative Council today (November 27):

Question:

The Chief Executive has indicated in the 2024 Policy Address that the Government will increase the daily visitor quota under the Sha Tau Kok opening-up plan to 3 000 within this year, and explore the application of facial recognition technology to complement the future opening up of the Chung Ying Street for tourism development. In this connection, will the Government inform this Council:

(1) whether it will, in view of the continuous increase in the numbers of members of the public and visitors visiting Sha Tau Kok and the redevelopment of the Sha Tau Kok Control Point, allocate additional resources to upgrade the transport infrastructure in the area, e.g. constructing a public transport interchange for cross-boundary travellers and widening the Sha Tau Kok Road, so as to enhance the accessibility of Sha Tau Kok to connect to other districts;

(2) whether it will, in view of the vibrant development of low-altitude economy industries of the Mainland in recent years, consider introducing drones to carry sightseeing passengers on a pilot basis first in Sha Tau Kok,

so as to make good use of the natural resources in the area and promote the development of blue and green recreation and tourism; and

(3) regarding the application of facial recognition technology to complement the future opening up of the Chung Ying Street for tourism development, whether the authorities have finalised the implementation details and specific timetable; if so, of the details; if not, whether the authorities will expeditiously commence a study, so as to make good use of the historical, cultural and tourism value of the area and promote the development of cultural and eco-tourism in Sha Tau Kok?

Reply

President,

In consultation with the Transport and Logistics Bureau and the Culture, Sports and Tourism Bureau (CSTB), my reply to the various parts of the question is as follows:

(1) The first and second phases of the Sha Tau Kok (STK) Frontier Closed Area opening-up plan were implemented in June 2022 and January 2024 respectively, allowing individual and group tourists to apply for Closed Area Permit (CAP) and enter STK (except Chung Ying Street). Feedback received has been positive, with about 134 000 visitors visited STK to date. The Government has been closely monitoring the implementation of the plan and views of the stakeholders, continuously reviewing the arrangements and introducing enhancement measures. As announced in the 2024 Policy Address, we have increased the daily visitor quota under the plan to 3 000. In respect of traffic, the traffic on Sha Tau Kok Road is generally smooth during peak hours on weekdays and holidays. There is no need for road widening at this stage. The Government will continue to closely monitor the traffic situation in the area.

In view of the aging facilities of the STK Control Point, and in order to enhance clearance efficiency and promote the development of the STK area, the Hong Kong Special Administrative Region (HKSAR) Government and the Shenzhen Municipal Government have reached a consensus to concurrently construct a passenger clearance building straddling the Sha Tau Kok River, taking the centre line of the Sha Tau Kok River as the boundary line to set up their respective passenger clearance channels immediately adjacent to each other, i.e. adopting a cross-river construction approach in the redevelopment of STK Control Point. The engineering feasibility study for the STK Control Point redevelopment project is underway and is expected to complete within 2025. The scope of the study includes matters such as road infrastructure, public transportation, land requirement, area of the control point, land ownership, environmental assessment and heritage conservation. The HKSAR Government will continue to closely collaborate with the Shenzhen Municipal Government to actively take forward the redevelopment project.

Subject to the outcome of the said study, the Government will consider the transportation facilities, including public transport interchanges, required for the control point area, and formulate service plans with

relevant Mainland authorities and Hong Kong operators to address the travel needs of visitors and facilitate public usage of the control point. The study will also review the traffic impact of the project on the surrounding roads, for example, Sha Tau Kok Road. The Government will formulate complementary measures if necessary.

(2) Low-altitude economy (LAE), with its great potentials, can be applied widely in different areas and help promote the development of various industries. The 2024 Policy Address announced a series of initiatives to promote the development of LAE, including the establishment of a Working Group on Developing LAE (the Working Group) led by the Deputy Financial Secretary to formulate development strategies and inter-departmental action plans, and to plan for low-altitude infrastructure. The Working Group has convened its first meeting to discuss the overall development strategy and work plan. Adopting a forward-thinking mindset and from the perspective of a facilitator, the Working Group will take forward the relevant work through implementation of Regulatory Sandbox (Sandbox) pilot projects, enhancements to legislation, and study and plan for low-altitude infrastructure. The Working Group will also promote interface with the Mainland on the joint establishment of low-altitude cross-boundary air routes, immigration and customs clearance arrangements, and supporting infrastructure, etc.

At the same time, the Government will press ahead with the implementation of pilot projects to explore unmanned aircraft applications at designated locations, and will amend the legislation to put in place a regulatory framework. The Government will collaborate with the industry and partner organisations to implement the Sandbox pilot projects starting from early next year. It is expected that the first phase will mainly cover drone deliveries, relaxation of restrictions on "flying beyond visual line of sight", and gradually expanding and enriching the scope of low-altitude flying applications.

The CSTB will actively participate in and complement the work of the Working Group as one of its members, and consider the feasibility of various proposals having regard to the relevant development, so as to promote the tourism development in Hong Kong. We will develop Hong Kong into a premier tourism destination through innovative thinking and making better use of our rich and unique resources, thereby instilling the concept of "tourism is everywhere in Hong Kong".

(3) The 2024 Policy Address announced that the Security Bureau will adopt facial recognition technology to enable people living or working at Chung Ying Street to enter and leave the street unimpededly via a "contactless" mode on a pilot basis, and will explore the application of relevant technology to complement the future opening up of Chung Ying Street for tourism. We will launch a facial recognition pilot scheme before the end of this year, and currently the preparatory work is near completion. In future, CAP holders who are allowed to access Chung Ying Street may, upon prior enrolment, pass through the checkpoint via a "contactless channel" without having to stop and produce their CAP or use their fingerprint to verify their identity. In adopting this pilot scheme, we hope to explore the application of innovative technology to replace the current mode of manual inspection, in

order to maintain boundary security and facilitate users of the checkpoint at the same time.

Meanwhile, the Government is actively promoting the cultural tourism development in STK. The Tourism Commission will extend the "Design District Hong Kong" creative tourism project to STK from December this year to February next year. By integrating creative elements with STK's cultural, heritage and natural offerings, we will create and promote more cultural eco-tourism itineraries and products. Moreover, the Travel Industry Council of Hong Kong will continue to promote the two signature itineraries relating to tourism resources in STK under the respective theme of "Great Green Escapes" and "Journey Through National History", selected from the "Deeper into Hong Kong: Creative Itinerary Design Competition", so as to highlight the tourism characteristics of STK to visitors. Through the Working Group for STK Co-operation Zone jointly established by the Shenzhen and Hong Kong governments under the Task Force for Collaboration on the Northern Metropolis Development Strategy, the CSTB, under the principles of complementarity and mutual benefits, will work together with the Shenzhen side to promote the cultural tourism co-operation in STK based on the principles of "low density, high quality" and through enriching its historical and cultural elements, thereby further promoting the tourism development in STK.

Thank you.