

First round of Co-investment Partners of Innovation and Technology Venture Fund announced

The Innovation and Technology Commission today (July 24) announced the first round of five venture capital (VC) funds selected as Co-investment Partners (CPs) of the Innovation and Technology Venture Fund (ITVF).

From last September to this January, the Government invited the VC industry to join as CPs of the ITVF, and received applications from 14 VC funds. On the advice of the ITVF Advisory Committee, the Government selected the five VC funds to be CPs. The selection criteria encompass the VC fund's capabilities and its management team's experience as well as the adequacy of its local resources and knowledge. The five CPs are:

- Beyond Ventures I Fund LP, managed by Beyond I Capital Ltd;
- BVCF IV LP, managed by BVCF IV GP, Ltd;
- Hendale Fund, LP, managed by Hendale GP Ltd;
- MindWorks Ventures Fund 3 SPC, managed by MindWorks Ventures Investment Management (Cayman); and
- X Technology Fund, LP, managed by X Tech Holdings Ltd.

The Secretary for Innovation and Technology, Mr Nicholas W Yang, said, "We are very pleased to have these five VC funds co-invest with the ITVF in local innovation and technology start-ups. In addition to obtaining new capital, start-ups will benefit from our investment partners' guidance on operation strategies and extensive business networks."

With funding of \$2 billion from the Government, the ITVF was set up to encourage VC investment in local innovation and technology start-ups. The CPs are responsible for identifying investment targets, conducting due diligence and making investment proposals to the Government. The Government will co-invest with the CPs at an investment ratio of about 1:2. The maximum aggregate government investment with each partner is \$400 million and the maximum aggregate government investment in each of the start-ups is \$50 million.

Brief background information of the five CPs is in the Annex and on the ITVF webpage (www.itc.gov.hk/en/funding/itvf.htm).

Transcript of remarks by FS

Following is the transcript of remarks by the Financial Secretary, Mr Paul Chan, at a media session after attending "M21 TV Programme at Book Fair with Mr Paul Chan" held by the Hong Kong Federation of Youth Groups this morning (July 24):

Reporter: Secretary, how will the weaker Renminbi affect Hong Kong itself? And also on the banning of reselling of HOS flats to the private market, is the Government inclined to have such a ban or what are some of the considerations?

Financial Secretary: On the weakening of Renminbi over the past three months, according to the information available to us, the weakening of Renminbi is mainly attributable to the continuing strengthening of US dollar. During the middle of April to the middle of July, Renminbi vis-à-vis US dollar depreciated by about some 6 per cent, but during the same period actually US dollar has been strengthening and it has risen by over 5 per cent against other currencies. So, if you're netting off these two you would appreciate that the depreciation in Renminbi is not that much. This is one point. Secondly, according to market intelligence, there were not much speculative activities against Renminbi, and we also noted that the Central Authorities reiterate the position of China in terms of not using depreciation of Renminbi as a tool to respond to trade conflict.

As to your second question about home ownership flats, whether these should be allowed to be resold into the private market, we have heard views from the community. As you may know, for this batch of Home Ownership Scheme flats, the Housing Authority, has already tightened up the resale restrictions. But whether we should apply a ban against all those future home ownership units to be sold in the private market, this will be studied by the Housing Authority and the Transport and Housing Bureau. We will keep an open mind. We'll continue to listen to different views before we come to a conclusion.

Reporter: Secretary, what kind of support will you give the URA if it continues to develop subsidised housing like this?

Financial Secretary: For the Urban Renewal Authority, they are going to use their project in Ma Tau Wai as a pilot project for Starter Homes scheme. For that particular project, they are going to give about 40 per cent discount, but even with this discount for that particular project I don't expect them to incur a lot of losses, because the project was acquired quite a number of years ago at a comparatively, at that time compared to now, very reasonable cost. But going forward, if Urban Renewal Authority is to be engaged into development of subsidised flats for sale and if this is supported by the Government, I think resources support will follow if required.

As you may know, the initial setting up of URA was with an injection of

HK\$10 billion seed money, and in fact a couple of years ago when I was Secretary for Development, URA did launch another project in Kai Tak as subsidised flats for sale. So this is not a new initiative. The overriding consideration remains whether from the government policy standpoint URA should position itself as an agency for developing subsidised flats for sale. That is the most important. If that is the position taken by URA endorsed by the Government, I don't think resources support from the Government will be a difficulty.

(Please also refer to the Chinese portion of the transcript.)

SCS visits Kowloon City District (with photo)

The Secretary for the Civil Service, Mr Joshua Law, today (July 24) visited Kowloon City District, where he toured a vocational training centre and a social enterprise. He also met with members of the Kowloon City District Council (KCDC) to learn more about the district's development and needs.

Accompanied by the Chairman of the KCDC, Mr Pun Kwok-wah, and the District Officer (Kowloon City), Mr Franco Kwok, Mr Law met with KCDC members and exchanged views on issues of concern.

During the visit, Mr Law went to LST RehaCare, a social enterprise of the Lok Sin Tong Benevolent Society, Kowloon, to learn how it provides affordable rehabilitation products to those in need and part-time employment opportunities for young people, women and retirees.

Mr Law also visited the Caritas Lok Mo Integrated Vocational Training Centre and was briefed on the diverse vocational training programmes and support services on employment provided to persons with disabilities to help them become self-reliant and integrate into society.

"I am pleased that in today's district visit, I have been able to gain a better understanding of the support services provided by the non-government organisation to persons with disabilities to help prepare them to unleash their potential in workplaces," he said.

"This morning, I met with some post-secondary school students with disabilities participating in this year's government summer internship scheme to understand their learning experience. The Civil Service Bureau will also arrange for students of the Shine Skills Centre of the Vocational Training Council to work in various bureaux and departments as interns later this year.

"The internship scheme aims to allow these students to gain work experience and provide an opportunity for colleagues in the civil service to better understand the talents and potential of persons with disabilities.

"Two Secondary Five students participating in the 'Be a Government Official for a Day' programme today joined me to meet the students with disabilities and visit Kowloon City District. Both of them are therefore able to understand that young people with disabilities are also striving for their goals just like themselves. All young people can become pillars of society and I hope they can work hard for their future."



Interest rate of sixth interest payment for iBond Series due 2018

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announces today (July 24) the relevant per annum interest rate for the sixth interest payment of iBond Series due 2018 (Issue Number: 03GB1808R; Stock Code: 4228) (the Bonds) issued under the Retail Bond Issuance Programme of the Government Bond Programme.

According to the Issue Circular dated July 16, 2015 for the Bonds, the sixth interest payment of the Bonds is scheduled to be made on August 7, 2018, and the relevant interest rate is scheduled to be determined and announced on July 24, 2018 as the higher of the prevailing Floating Rate and Fixed Rate.

On July 24, 2018, the Floating Rate and Fixed Rate are as follows:

Floating Rate: +2.30% (Annex)

Fixed Rate: +1.00%

Based on the Floating Rate and Fixed Rate set out above, the relevant interest rate for the sixth interest payment is determined and announced as 2.30% per annum.

EMSD releases lift and escalator contractors' latest performance ratings

The Electrical and Mechanical Services Department (EMSD) today (July 24) announced the performance ratings of the registered lift and escalator contractors for the past 12 months (from July 2017 to June 2018) for public reference.

According to the rating results, 30 registered lift contractors and 26 registered escalator contractors were awarded the Safety Star. Among these contractors, 16 registered lift contractors and 20 registered escalator contractors had not been found non-compliant with the safety and maintenance requirements as reported in the last two consecutive announcements of performance results, and were therefore given the highest rating of five Quality Stars. The EMSD conducted 12 456 inspections of lifts and escalators during the period.

The rating results, conviction records, summaries of the warning letters and equipment failure records are available on the EMSD's website (www.emsd.gov.hk/emsd/eng/pps/le_pub_mpr.shtml).