

LCQ7: Information security of government departments and public organisations

Following is a question by the Hon Jeffrey Lam and a written reply by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, in the Legislative Council today (March 26):

Question:

Last month, an information security incident occurred in Invest Hong Kong (InvestHK) in which its computer systems were attacked by malicious ransomware, affecting its internal Customer Relationship Management system, intranet, website operations, etc. Regarding the occurrence of cybersecurity incidents in government departments and public organisations, will the Government inform this Council:

(1) of the following information on malicious ransomware attacks on government departments and public organisations in the past three years: (i) the number of cases, (ii) the government departments and public organisations involved, (iii) the number of cases involving leakage of personal, customer or internal data, and (iv) the number of culprits arrested in connection with such cases;

(2) given that Hong Kong is actively attracting businesses and talents, whether the Government has received public complaints or enquiries about the aforesaid information security incident of InvestHK; if so, of the number; whether the Government has assessed if the information security incident has dampened investors' confidence in the information security of InvestHK, or even investors' interest in investing in Hong Kong; and

(3) of the measures the Government has put in place to strengthen the security of the computer and information systems of government departments and public organisations, and the expected time for conducting a review of the effectiveness of such measures, so as to continuously ensure the security of the relevant systems of such departments and organisations?

Reply:

President,

In respect of the question raised by the Hon Jeffrey Lam, having consolidated the information provided by the Security Bureau and the Commerce and Economic Development Bureau, my reply is as follows:

(1) According to the Government Information Technology Security Policy and Guidelines, when an information technology (IT) security incident occurs, the concerned bureaux and departments (B/Ds) must report it to the Government Information Security Incident Response Office under the Digital Policy Office

(DPO), and notify the Office of the Privacy Commissioner for Personal Data (PCPD) and/or the Police depending on the nature of the incident.

In 2022, 2023 and 2024, the DPO received 5, 3 and 2 incident reports respectively that involved ransomware attack of government IT systems. None of these incidents resulted in any data leakage. In view of the nature of the incidents, the sensitivity of the information and security considerations, the departments concerned considered it as inappropriate to publish relevant details, in order not to increase the risk of malicious intrusion into government systems. Upon receipt of the incident reports, the DPO had promptly assisted relevant departments in handling the incidents and provided technical advice to enhance their information security.

As for public bodies, neither the DPO nor the Hong Kong Computer Emergency Response Team Coordination Centre has received any notification of information security incidents from public bodies relating to ransomware attack in the past three years. However, we note that individual public bodies have taken the initiative to make public announcement on relevant incidents having regard to the nature and specific circumstances of the case. To enhance the information security of public bodies and strengthen the incident handling mechanism, the Government has since August 2024 required public bodies to notify the relevant B/Ds of incidents relating to their designated IT systems. As at mid-March this year, the Government has not received any relevant report.

Depending on the circumstances of the case, there is a possibility that a ransomware attack may constitute a breach of "criminal intimidation" (section 24 of the Crimes Ordinance), "criminal damage" (section 60 of the Crimes Ordinance), "access to computers with criminal or dishonest intent" (section 161 of the Crimes Ordinance), or other related offences. The Police does not maintain breakdown statistics on the number of arrests for ransomware attacks.

(2) On February 22 this year, Invest Hong Kong (InvestHK) identified an information security incident which involved a malicious ransomware attack to part of InvestHK's computer systems. Upon identification of the incident, the Department took immediate measures to tighten security of its IT systems to prevent further ransomware attacks. In line with the established procedures, it has on the same day also reported the case to the Police, the DPO, the PCPD and the Security Bureau respectively. According to InvestHK's investigation findings, there was no evidence indicating leakage of personal information. No further suspicious activities have been identified since then. As at mid-March this year, the Department has not received any public complaints or enquiries related to this information security incident. After the incident, InvestHK promptly issued press releases to clearly explain the situation to the public and its clients. It is believed that the incident has not affected investors' confidence. InvestHK has all along been observing the Government's procedures in its information and cybersecurity work. It will continue to cooperate with the DPO and adopt experts' recommendations in tightening its IT security systems, so as to prevent similar incidents from happening again.

(3) To enhance the IT security of B/Ds and public bodies, the Government has implemented several enhancement measures which require B/Ds and public bodies under their purview to strengthen the project governance and security of IT systems, including key initiatives such as:

(i) Strengthen oversight responsibility: all B/Ds must appoint a senior directorate officer or the head/ deputy head of the management team of relevant organisation to oversee information security work, and immediately assess and strengthen their existing cybersecurity measures, in order to guard against cyberattacks.

(ii) Regular tests, assessments and audits: all B/Ds and public bodies must arrange additional stress tests and security tests by an independent third party before rollout of their IT systems, and perform security risk assessments for their IT systems at least once every two years. Security risk assessments shall identify and determine the level of IT security risks of an IT system based on risk sources (e.g. vulnerabilities, threats), events (e.g. incident scenarios), and risk impact and likelihood, so as to help prioritise the identified risks for risk management and updating of response measures.

(iii) System health check, penetration test and compliance audit: the DPO introduced a centralised cybersecurity health check platform to conduct regular and continuous health checks and penetration testing on the government's public-facing IT systems to enhance B/Ds' ability to identify potential security vulnerabilities, thereby strengthening the prevention of information and cybersecurity incidents. The DPO also launched a new round of government-wide information security compliance audit in 2024, and will select eight government IT systems for in-depth information security compliance audit in 2025.

(iv) Real-life cybersecurity attack and defence drills: starting from 2024, the DPO will organise annual real-life cybersecurity attack and defence drill, and invite different B/Ds and public bodies to participate. The drills will simulate real-life cyberattacks to test the response and resilience of IT systems in the event of cyberattacks, with a view to enhancing the technique, experience and overall defence capabilities of B/Ds and public bodies through the drills and fortifying the defence line.

(v) Step up staff training: the DPO and the Civil Service College jointly organise thematic seminars under the Innovation and Technology leadership series for the senior management of all B/Ds, and provide latest cybersecurity trends and preventive measures to enhance their information security knowledge.

LCQ2: Hong Kong Investment Corporation Limited

Following is a question by Dr the Hon Johnny Ng and a reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the

Legislative Council today (March 26):

Question:

The Government established the Hong Kong Investment Corporation Limited (HKIC) in 2022 to manage the investment activities of designated government funds through identifying investment opportunities and strategically promoting development of target industries, while generating investment return. In this connection, will the Government inform this Council:

(1) of an overview of HKIC's investments since its establishment, including the main industries supported by HKIC's current portfolios, and how far HKIC can identify the investment targets which can contribute to the economic development of Hong Kong; whether the effectiveness of HKIC's work has been assessed;

(2) given that the Temasek Holdings, founded in 1974, had an asset size reaching S\$389 billion (HK\$2.3 trillion) in March 2024, making it the eleventh largest sovereign wealth fund in the world, whether HKIC will draw on the successful experiences of, among others, the Temasek Holdings and the Singapore's Economic Development Board Investment, and strengthen HKIC's investment efforts while adjusting its investment directions at appropriate times; and

(3) as far as Hong Kong's long-term economic development is concerned, whether it has considered adding a wider variety of sectors in HKIC's investments, including high-growth industries such as Web 3.0, thereby building up future economic pillars for Hong Kong and attracting talents as well as innovative enterprises to set up their presence in Hong Kong?

Reply:

President,

In consultation with the Hong Kong Investment Corporation Limited (HKIC), my consolidated reply to the three parts of the question is as follows:

In the 2022 Policy Address, the Chief Executive announced the establishment of the HKIC to manage the investment for a total of HK\$62 billion under the Hong Kong Growth Portfolio, Greater Bay Area Investment Fund, Strategic Tech Fund, and Co-Investment Fund. The positioning of the HKIC is to capitalise the power of "Patient Capital" to channel market capital and leverage market resources, with a view to attracting technology enterprises to set up their operations in Hong Kong, thereby accelerating the construction of a vibrant strategic industry ecosystem, while seeking reasonable financial return over the medium to long term.

The HKIC actively leverages the guiding force of capital to promote collaboration among the investment, industry, academic and research sectors, facilitates the construction of international, regional and cross-border

collaboration platform for Hong Kong, and supports the accelerated nurturing of new quality productive forces, thus enhancing Hong Kong's long-term competitiveness and economic vitality.

Since its establishment, the HKIC has invested in over 90 projects, including enterprises with cutting-edge technologies or in key industries. These projects are medium-to-long-term investments. Key themes include Hard and Core Technology, Biotechnology and New Energy and Green Technology. with the proportions being 56 per cent, 16 per cent and 11 per cent respectively based on the invested amount. In summary, these investments contribute to the development of Hong Kong's innovation and technology industry, and help local start-ups explore diversified markets and application scenarios. On the other hand, they attract high quality projects and companies from the Mainland and overseas to set up and develop their business in Hong Kong through the channeling force of capital.

The HKIC has clear requirements for investee companies to contribute to Hong Kong's development in a sustainable manner, such as requiring the companies to establish offices in Hong Kong, nurture and attract talents, establish corporate venture capital (corporate VC) departments in Hong Kong and prioritise Hong Kong for their listing. Quite some investee companies have made good progress in attracting capital and talents and in exploring new markets, which has accelerated their planning for using Hong Kong as their business development platform. Certain investee companies have submitted their listing applications to the Hong Kong Exchanges and Clearing Limited.

The HKIC also actively collaborates with various investment institutions and joins hands in investing with them, promoting the continuous development and application of cutting-edge technologies in Hong Kong. As of March 2025, every Hong Kong dollar invested by the HKIC has attracted over four Hong Kong dollars from long-term capital in the market for investment.

The investments and relevant work of the HKIC are guided by the vision and needs of Hong Kong's development. In the future, the HKIC will continue to fully support government policies and the needs of Hong Kong's economic development, and actively work with different sectors of the society to pool resources and implement its work. The Government has always been fully supportive of the HKIC's work and will consider the timing and arrangements for capital injection in a timely manner as appropriate.

One of the HKIC's key strategies for 2025 is to continue to focus on three core themes, namely Hard and Core Technology, Biotechnology, New Energy and Green Technology, and also capture the adjacent opportunities arising from these themes, including "cross-sector" applications. The HKIC also focuses on expediting the deployment and application of cutting-edge technologies, bringing innovative and disruptive research outcomes into the market and to serve the society.

The HKIC has been paying attention to accelerating the exploration of the cutting-edge impetus for growth and to strategising the relevant

investment implementation. For example, the first batch of capital allocated to the Investment Portfolio under the New Capital Investment Entrant Scheme, which management is supervised by the HKIC, will be invested in industries and innovative applications in areas such as low-altitude economy, gerontechnology and smart living technologies, as well as intelligent entertainment experiences.

Thank you, President.

Flight demonstration over Victoria Harbour to commemorate a century of Kai Tak's legacy

To commemorate a century of Hong Kong's aviation history that took flight from Kai Tak, and coinciding with the Hong Kong Sevens being held at Kai Tak Sports Park for the first time, the Hong Kong Special Administrative Region Government supports the event organisers in staging a special flight demonstration over Victoria Harbour on the afternoon of March 30. This event symbolises the century-long legacy of Hong Kong's aviation history, inviting the public to join in witnessing this momentous and meaningful occasion.

To facilitate the flight demonstration, the Civil Aviation Department (CAD) will establish a temporary restricted flying zone (RFZ) in and around Victoria Harbour. Flying activities, such as the flying of unmanned aircraft systems (drones and model aircraft), kites, captive balloons, mass release of small balloons, etc, will be restricted. The CAD will announce details of the temporary RFZ on the electronic portal for small unmanned aircraft "eSUA" and by Notice To Airmen.

â€‹The flight demonstration will be subject to weather conditions, and details of the event will be announced by the event organisers in due course.

LCQ11: Applications for short-term tenancies of land and payment of land premium

Following is a question by Dr the Hon Chan Han-pan and a written reply

by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (March 26):

Question:

It has been reported that the current application procedures for lease of government land by way of short-term tenancy are complicated, and that the procedures for landowners to apply for payment of land premium also take a relatively long time, thus impeding economic development and the efficient use of government land resources to a certain extent. In this connection, will the Government inform this Council:

(1) whether the Government has compiled statistics on the respective average time taken from acceptance to completion of the procedures for each application for short-term tenancy of land and payment of land premium in the past three years (set out in a table);

(2) whether the Government will consider consolidating land resources which have been left vacant for a long time, such as offering several pieces of vacant government land in a certain district for lease as a package to statutory bodies or non-governmental organisations which will then be responsible for management and leasing arrangements, so as to expedite the effective use of land resources; and

(3) given that the current arrangement for charging land premium at standard rates has been extended to New Development Area projects under the Enhanced Conventional New Town Approach, whether the Government will consider extending the arrangement for charging land premium at standard rates to the entire territory; whether the Government will consider streamlining the process of granting land leases, such as establishing simplified procedures for granting leases and payment of land premium, so as to shorten the time taken for vetting and approval?

Reply:

President,

Our reply to the various parts of Dr the Hon Chan's question is as follows:

(1) Currently, short-term tenancies (STTs) are granted by the Lands Department (LandsD) mainly via open tender or direct grant. In relation to direct grant STTs for community, institutional or non-profit making uses, the LandsD will proceed to grant the tenancy if the applications receive policy support and are confirmed to comply with statutory or administrative requirements upon consultation with relevant departments. The processing time required for each case varies as the nature of each application may differ.

In the past three years (2022 to 2024), the average processing time (from receipt of a valid application to completion of processing) for direct grant STTs for community, institutional or non-profit making uses is

tabulated below:

Direct grant STTs for community, institutional or non-profit making uses			
Year	2022	2023	2024
Average processing time	12.2 months	12.7 months	13.9 months

As for lease modification and land exchange applications involving private land, if applicants accept the provisional basic terms offer (PBT0) issued by the LandsD, the LandsD will proceed to premium assessment and issue a premium offer. If applicants are not satisfied with the premium offer made by the LandsD, they may lodge an appeal and provide supplementary information. The time needed for premium negotiation for each case will vary depending on the complexity of the case, and may be affected by the applicants' business considerations and market outlook.

In the past three years (2022 to 2024), the average time needed for premium negotiation in respect of lease modification and land exchange applications approved and executed each year is tabulated below:

Year	2022	2023	2024
Average time needed for premium negotiation for lease modification and land exchange applications	8.5 months	5.8 months	7.8 months

(2) The vacant government sites currently available for rental applications by non-government organisations have been publicised online. It is noted that most of these sites may not have commercial values, a number of which may be secluded or even without vehicular access or other basic facilities. That said, if any external organisations are interested in simultaneously renting multiple sites for socially beneficial uses under the "package" arrangement as mentioned by Dr the Hon Chan, the Government is happy to explore further with the relevant organisations.

(3) In recent years, the Government continuously introduced a number of measures to streamline statutory and administrative procedures with a view to further expediting approval process and removing barriers for development. In terms of premium negotiation procedures, the LandsD will maintain close communications with applicants and endeavour to minimise the differences between both parties, such as allowing applicants to provide supplementary information during appeal, having face-to-face exchanges with applicants on various assessment parameters before processing the appeal. There is also a fast-track procedure for applicant's second or third appeal. If the appeal

applications meet the requirements for the relevant fast-track procedures, the LandsD will issue premium offer again within 24 working days after receiving the appeal, which will shorten the process of premium negotiation.

Also, to expedite the processing of specific types of lease modification applications, the Government introduced a standard rate approach for charging premium in the past few years, which provides applicants with an alternative option in addition to the conventional assessment mechanism, through promulgating in advance a set of standard rates for providing certainty. For example, apart from the standard rates applicable to the land exchange applications in new development areas (NDAs) under the "Enhanced Conventional New Town Approach" as mentioned, the Government introduced the standard rates for charging land premium for exemption of gross floor area arising from the adoption of Modular Integrated Construction in end-2022; regularised the standard rates applicable to the redevelopment of aged industrial buildings (IBs) across Hong Kong in end-2023 to provide continued incentive for redevelopment of aged IBs and thereby expedite urban renewal; and rolled out the standard rates arrangement for lease modifications involving development of agricultural land in the New Territories (NT) outside NDAs to unlock the development potentials of agricultural land in the NT. The Development Bureau will continue to keep the implementation of standard rates under review, and will further study whether to expand the standard rates approach for charging premium approach in light of implementation experience and relevant policy considerations.

To adopt a facilitating and collaborative mindset as a "facilitator", the LandsD has implemented measures to further expedite the processing of lease modification and land exchange cases. In terms of the approval process, the LandsD has already streamlined the local consultation process. For cases where local consultation had already been conducted at the stage of planning application, the LandsD will avoid repeated consultation as far as practicable during the lease processing stage. In addition, prior to consulting relevant bureaux/departments regarding the development projects, the LandsD will hold partnership meetings in advance with the applicants on a need basis so as to clarify the key elements of the applications and discuss other potential issues that may need to be tackled with the applicants early, thereby expediting approval process. Also, the LandsD will accept requests for advance processing of lease modification and land exchange applications in association with rezoning applications approved by the Town Planning Board under section 12A of the Town Planning Ordinance with a set of development parameters clearly defined/firmed up. This means that there is no need to wait until the whole statutory rezoning procedure is completed before the processing could commence.

LCQ19: Capitalist system and way of life in Hong Kong

Following is a question by the Hon Lam San-keung and a written reply by the Secretary for Constitutional and Mainland Affairs, Mr Erick Tsang Kwok-wai, in the Legislative Council today (March 26):

Question:

Article 5 of the Basic Law provides that Hong Kong's "previous capitalist system and way of life shall remain unchanged for 50 years". The President of the State has also repeatedly praised that "one country, two systems" is a good policy which "must be adhered to in the long run". Moreover, there are views that the Extension of Government Leases Ordinance (Cap. 648), which came into force in July last year, ensures that the vast majority of land in Hong Kong will have the leases automatically extended for a term of 50 years upon their expiry in 2047. However, it is learnt that the international community and global investors have all along been worried that there is a "2047 time limit" for Hong Kong's capitalist system. In this connection, will the Government inform this Council of the efforts made to allay the concerns of the international community about the 2047 time limit, and how to strengthen the relevant publicity work in the future?

Reply:

President,

The reply to the Hon Lam San-keung's question is as follows:

At the meeting celebrating the 25th anniversary of Hong Kong's return to the motherland in 2022, President Xi Jinping said that, "'One country, two systems' has been tested repeatedly in practice. It serves the fundamental interests of not only Hong Kong, but also those of our country and the nation, so there is no reason for us to change such a good policy, and we must adhere to it in the long run." President Xi reiterated in his report to the 20th National Congress that "the policy of 'one country, two systems' is a great innovation of socialism with Chinese characteristics. It has proven to be the best institutional arrangement for ensuring sustained prosperity and stability in Hong Kong after its return to the motherland. The policy must be adhered to over the long term." These fully demonstrate to the world the Central Authorities' firm commitment to the principle of "one country, two systems", which will not be altered, nor shaken. Further, it is essential to ensure that "one country, two systems" is fully and faithfully implemented in Hong Kong without being bent or distorted, and will always advance in the right direction. To make it clear to the world that it is our country's enduring policy to implement "one country, two systems" resolutely, fully and faithfully, and to showcase the historic and significant achievements made under "one country, two systems" since its implementation, the HKSAR Government will continue to spare no effort in external promotion and telling

the good stories of "one country, two systems" and Hong Kong. This includes widely promoting the successful implementation of "one country, two systems" and Hong Kong's various strengths and opportunities through overseas visits by senior officials in meeting with dignitaries, the business sector, the media and Chinese groups, and through different activities organised by the overseas Economic and Trade Offices, such as meetings with local governments and organisations, media interviews and seminars. We will also actively encourage different organisations to host major international events in Hong Kong, bringing people from all over the world and all walks of life to witness the rapid development of Hong Kong and our remarkable achievements in the implementation of "one country, two systems".