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Replies to supplementary questions raised by Legislative Council Members in examining the Estimates of Expenditure 2024-25

Director of Bureau : Secretary for Financial Services and the Treasury

Session No. : 5

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CONTROLLING OFFICER'S REPLY

(Question Serial No. S008)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Further to the Reply of Serial No. FSTB(FS)053, will the Government inform this Committee of the estimates of expenditure of the Hong Kong Investment Corporation Limited for 2023-24 and 2024-25?

Asked by: Hon KAN Wai-mun, Carmen

Reply:

As the expenses of the Hong Kong Investment Corporation (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

At the initial stage of the HKIC's operation, the Hong Kong Monetary Authority (HKMA) has rendered support on investment, logistics and operational matters. Therefore, the relevant arrangements have drawn reference from the HKMA's daily operation.

The CEO of the HKIC assumed duty in October last year. With the support of the HKIC Board, the new team has consolidated previous experience and adjusted the manpower arrangements and investment strategy having regard to the actual circumstances, and adopted a more direct, proactive and agile approach in picking investment projects locally, in the Mainland and internationally, and in opening up partnership for broad collaboration, which allowed the HKIC to better achieve the dual mission of achieving financial and strategic return. With the guidance of the Board, the team has gradually and orderly taken over from the HKMA the investments and operations related work. The Board has approved the HKIC's arrangements such as structure, governance, manpower and administration as well as related expense budget based on the operational needs of the HKIC's business development plan, and has duly considered the HKIC's characteristics of being a public body and also an investment institution with professional and market operation. The initial manpower of the

HKIC as approved by the Board is approximately 50 people. Relevant personnel involve different levels of seniority and will report duty in due course.

In order to allow the public to have a more holistic and accurate understanding of the HKIC's operational and work deliverables, we will appropriately make announcement on areas such as business progress and performance, after the HKIC team has broadly taken shape and the investment projects of the first stage have been executed and in operation. The remuneration level of the Chief Executive Officer and other executives of the senior management will be suitably disclosed in the HKIC's Annual Report.

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CONTROLLING OFFICER'S REPLY

SV-FSTB(FS)001

(Question Serial No. SV012)

Head: (148) Government Secretariat: Financial Services and the Treasury
Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury
(Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Further to the Reply of Serial No. FSTB(FS)052, the Government advised in its reply that the Hong Kong Investment Corporation Limited (HKIC) Board will approve the company structure, as well as its governance, manpower and administration and other related operational budget based on its actual operational needs. The staff remuneration policy of the HKIC will be reviewed and recommended by the Remuneration Committee, and will be further reviewed by the HKIC Board. The Board determines the pay adjustment of HKIC staff each year having regard to the recommendations made by the Remuneration Committee, and any other relevant factors.

In addition to the above, please provide specific information and statistics on the HKIC referred to in (a) to (c) below:

- (a) the operating expenditure and staff establishment in 2023-24;
- (b) the estimated operating expenditure and staff establishment in 2024-2025; and
- (c) the criteria for remuneration of the CEO, such as whether the remuneration is linked to the HKIC's investment size or performance, and the indicators adopted by the Government for measuring the performance of the CEO.

Asked by: Hon IP LAU Suk-yee, Regina

Reply:

As the expenses of the Hong Kong Investment Corporation (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

At the initial stage of the HKIC's operation, the Hong Kong Monetary Authority (HKMA) has rendered support on investment, logistics and operational matters. Therefore, the relevant arrangements have drawn reference from the HKMA's daily operation.

The CEO of the HKIC assumed duty in October last year. With the support of the HKIC Board, the new team has consolidated previous experience and adjusted the manpower arrangements and investment strategy having regard to the actual circumstances, and adopted a more direct, proactive and agile approach in picking investment projects locally, in the Mainland and internationally, and in opening up partnership for broad collaboration, which allowed the HKIC to better achieve the dual mission of achieving financial and strategic return. With the guidance of the Board, the team has gradually and orderly taken over from the HKMA the investments and operations related work. The Board has approved the HKIC's arrangements such as structure, governance, manpower and administration as well as related expense budget based on the operational needs of the HKIC's business development plan, and has duly considered the HKIC's characteristics of being a public body and also an investment institution with professional and market operation. The initial manpower of the HKIC as approved by the Board is approximately 50 people. Relevant personnel involve different levels of seniority and will report duty in due course.

In order to allow the public to have a more holistic and accurate understanding of the HKIC's operational and work deliverables, we will appropriately make announcement on areas such as business progress and performance, after the HKIC team has broadly taken shape and the investment projects of the first stage have been executed and in operation. The remuneration level of the Chief Executive Officer and other executives of the senior management will be suitably disclosed in the HKIC's Annual Report.

In addition, the HKIC's target investment projects are primarily strategic projects. Therefore, it is appropriate to evaluate its performance with a long-term perspective, such as whether benefits on increasing Hong Kong's attractiveness to bring in enterprises and investment, as well as on supporting the development of the local Innovation and Technology ecosystem and industries could be brought.

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CONTROLLING OFFICER'S REPLY

SV-FSTB(FS)002

(Question Serial No. SV011)

Head: (148) Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Further to the Reply of Serial No. FSTB(FS)063, please provide supplementary information on the progress made in forming a management team for the Hong Kong Investment Corporation Limited (HKIC), the breakdown of the HKIC's operating expenses and the number of investment proposals it received over the past year?

Asked by: Hon KONG Yuk-foon, Doreen

Reply:

As the expenses of the Hong Kong Investment Corporation (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

At the initial stage of the HKIC's operation, the Hong Kong Monetary Authority (HKMA) has rendered support on investment, logistics and operational matters. Therefore, the relevant arrangements have drawn reference from the HKMA's daily operation.

The CEO of the HKIC assumed duty in October last year. With the support of the HKIC Board, the new team has consolidated previous experience and adjusted the manpower arrangements and investment strategy having regard to the actual circumstances, and adopted a more direct, proactive and agile approach in picking investment projects locally, in the Mainland and internationally, and in opening up partnership for broad collaboration, which allowed the HKIC to better achieve the dual mission of achieving financial and strategic return. With the guidance of the Board, the team has gradually and orderly taken over from the HKMA the investments and operations related work. The Board has approved the HKIC's arrangements such as structure, governance, manpower and administration as well as related expense budget based on the operational needs of the HKIC's business development plan, and has duly considered the HKIC's characteristics of being a public body and also an investment institution with professional and market operation. The initial manpower of the

HKIC as approved by the Board is approximately 50 people. Relevant personnel involve different levels of seniority and will report duty in due course.

In order to allow the public to have a more holistic and accurate understanding of the HKIC's operational and work deliverables, we will appropriately make announcement on areas such as business progress and performance, after the HKIC team has broadly taken shape and the investment projects of the first stage have been executed and in operation. The remuneration level of the Chief Executive Officer and other executives of the senior management will be suitably disclosed in the HKIC's Annual Report.

In addition, the HKIC's target investment projects are primarily strategic projects. Therefore, it is appropriate to evaluate its performance with a long-term perspective, such as whether benefits on increasing Hong Kong's attractiveness to bring in enterprises and investment, as well as on supporting the development of the local Innovation and Technology ecosystem and industries could be brought.

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CONTROLLING OFFICER'S REPLY

SV-FSTB(FS)003

(Question Serial No. SV013)

Head: (148) Government Secretariat: Financial Services and the Treasury
Bureau (Financial Services Branch)

Subhead (No. & title): (-) Not Specified

Programme: (1) Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury
(Financial Services) (Salina YAN)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Further to the Reply of Serial No. FSTB(FS)052, the Government advised in its reply that the Hong Kong Investment Corporation Limited (HKIC) Board will approve the company structure, as well as its governance, manpower and administration and other related operational budget based on its actual operational needs. The staff remuneration policy of the HKIC will be reviewed and recommended by the Remuneration Committee, and will be further reviewed by the HKIC Board. The Board determines the pay adjustment of HKIC staff each year having regard to the recommendations made by the Remuneration Committee, and any other relevant factors.

In addition to the above, please provide specific information and statistics on the HKIC referred to in (a) to (c) below:

- (a) the operating expenditure and staff establishment in 2023-24;
- (b) the estimated operating expenditure and staff establishment in 2024-2025; and
- (c) the criteria for remuneration of the CEO.

Asked by: Hon LAI Tung-kwok

Reply:

As the expenses of the Hong Kong Investment Corporation (HKIC) are not included in the estimates of the Financial Services Branch of the Financial Services and the Treasury Bureau, the following information is provided on behalf of the HKIC.

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In order to allow the public to have a more holistic and accurate understanding of the HKIC's operational and work deliverables, we will appropriately make announcement on areas such as business progress and performance, after the HKIC team has broadly taken shape and the investment projects of the first stage have been executed and in operation. The remuneration level of the Chief Executive Officer and other executives of the senior management will be suitably disclosed in the HKIC's Annual Report.

In addition, the HKIC's target investment projects are primarily strategic projects. Therefore, it is appropriate to evaluate its performance with a long-term perspective, such as whether benefits on increasing Hong Kong's attractiveness to bring in enterprises and investment, as well as on supporting the development of the local Innovation and Technology ecosystem and industries could be brought.

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