

**For discussion
on 10 June 2019**

**Legislative Council Panel on
Information Technology and Broadcasting**

**Report on the Work of Create Hong Kong
and Hong Kong Design Centre**

PURPOSE

This paper updates Members on the work of Create Hong Kong (CreateHK) and the Hong Kong Design Centre (HKDC) from 1 April 2018 to end-March 2019 (the reporting period) and HKDC's work plan in 2019-20.

OVERVIEW

2. The Government recognises that creative industries are not only Hong Kong's new economic drivers but are also popular professions among young people and could make Hong Kong a more attractive international city. In 2017, the added value of the eight creative industries (namely advertising, architecture, design, digital entertainment, film, music, printing and publishing and television) under the purview of CreateHK reached \$58 billion, contributing to 2.3% of Hong Kong's Gross Domestic Product. From 2005 to 2017, the added value in nominal terms grew at an average annual rate of 4.7%.

3. The Government adopts a three-pronged strategy in developing creative industries, namely,

- (a) Talent and start-up nurturing;
- (b) Market development; and
- (c) Promotion of cross-sectoral and cross-boundary collaborations.

4. In promoting development of creative industries, the Government adopts an industry-led approach by providing funding and policy support to worthy projects initiated and organised by the trade. CreateHK also works with the HKDC and the Hong Kong International Film Festival Society (HKIFFS) as major agents for promotion of design and film appreciation respectively.

5. In 2018, we have injected \$1 billion into the CreateSmart Initiative (CSI), the dedicated funding scheme for the seven non-film creative industries; while in 2019, an injection of \$1 billion into the Film Development Fund (FDF) has been made upon the passage of the Appropriation Bill on 16 May 2019.

6. Key programmes funded by CreateHK during the reporting period are at **Annex 1**. Key Performance Indicators (KPIs) for projects organised or sponsored by CreateHK and participants' satisfaction level are at **Annex 2**.

REVIEW OF THE WORK OF CREATEHK

(I) Funding Schemes

FDF - Film

7. Since the establishment of CreateHK in 2009, the FDF has supported 37 film production projects and 177 other film-related projects, representing funding commitments of \$95 million and \$336.1 million respectively.

8. The number of applications received and approved and the amount of funding committed under the FDF in the past three years are tabulated at **Annex 3**.

CSI - Other Creative Sectors

9. Since the establishment of the CSI in 2009, the Government has injected a total of \$2 billion to support its programmes. By end-March 2019, \$1.213 billion has been committed to support programmes under the three strategy foci, namely, (a) nurturing talent and facilitating start-ups (\$489 million); (b) exploring markets (\$341 million); and (c) fostering a creative atmosphere (\$383 million).

10. The number of applications received and approved and the amount of funding committed under the CSI in the past three years are tabulated at **Annex 4**.

(II) Film Sector

Review of FDF

11. Following an initiative under the Chief Executive (CE)'s 2017 Policy Address, the Government commissioned a consultancy study to review the effectiveness of the FDF. The study was completed in July 2018 and its major findings and recommendations were reported to this Panel in December 2018¹. The study concluded, among others, that the FDF has been effective and could play an even more active role in areas such as enhancing local film production, nurturing talent, cultivating film appreciation and expanding markets for Hong Kong films.

New Injection into FDF

12. The CE announced in the 2018 Policy Address the Government's plan to inject \$1 billion into the FDF to support further development of the film sector. The funding was approved upon passage of the Appropriation Bill on 16 May 2019. To date, the Government has had a funding commitment of \$1.54 billion since the FDF's re-launch in 2005.

Efforts for Promoting Film Development

13. In consultation with the Film Development Council (FDC)², we work together with the industry for promoting development of the film sector under four broad directions, namely, (a) nurturing talent; (b) enhancing local production; (c) expanding markets; and (d) building audience, details of which are set out below:

(A) Nurturing Talent

14. The First Feature Film Initiative (FFFI), launched in 2013, has been successful in identifying and supporting budding directors through a competition on screenplay and production proposals. This year is yet another fruitful year for the FFFI - two winning projects (of the third edition in 2017), namely, "Still Human" (《淪落人》) and "G Affairs" (《G 殺》), have received a total of 14 nominations at the 38th Hong Kong Film Awards (HKFA) in 2019, with "Still Human" scooping the Best New Director, Best Actor and Best New Performer awards. "Still Human" also won numerous international awards, including the top Audience Award and the Black

¹ Vide LC Paper No. CB(4)283/18-19(07).

² The FDC, comprising key players of the film industry, was set up in 2007 to advise the Government on policy, strategy and institutional arrangement for the promotion and development of the film industry as well as the use and allocation of public funds in support of the film industry. The FDC and its Fund Vetting Committee are also responsible for vetting the funding applications submitted to the FDF.

Dragon Critics Award at the 21st Udine Far East Film Festival in Italy in 2019. As at end-May 2019, the film’s box office was about \$20 million, the highest among all FFFI winning projects so far.

15. As at end-May 2019, apart from “Still Human” and “G Affairs”, another four FFFI films have been commercially released, namely, “Mad World” (《一念無明》), “Weeds on Fire” (《點五步》), “Somewhere Beyond the Mist” (《藍天白雲》) and “In Your Dreams” (《以青春的名義》). These FFFI films in total have won 25 local and international awards so far. Production of the seven remaining winning projects³ is in the pipeline. The latest progress of all FFFI winning projects is at **Annex 5**.

16. With the new funding injection, we will from the sixth edition onward raise (a) the total number of winning teams each year from three to a maximum of six; and (b) the sponsorship amount by around 50% (from \$3.25 million to \$5 million for the Higher Education Institution Group and from \$5.5 million to \$8 million for the Professional Group). This will provide more opportunities to budding talent to showcase their abilities with a higher budget. Invitation for applications for the sixth edition of the FFFI has commenced on 3 June 2019.

(B) **Enhancing Local Production**

17. The FDF supports local commercial film productions through the Film Production Financing Scheme (FPFS)⁴ and the Film Production Grant Scheme (FPGS)⁵. Lists of film projects supported by the FPFS and FPGS are at **Annex 5**.

18. Since its inception in 2007, the FPFS has sponsored a total of 33 productions. During the reporting period, four films funded by the FPFS were commercially released, namely, “Tomorrow is Another Day” (《黃金花》), “Men on the Dragon” (《逆流大叔》), “Love Revolution” (《愛革命》) and “I Love You, You’re Perfect, Now Change” (《你咪理，我愛

³ The other seven winning projects are “Apart” (《散後》) of the second edition; “My Prince Edward” (《金都》), “Hand-rolled Cigarette” (《手捲煙》) and “Elisa’s Day” (《遺愛》) of the fourth edition; and “Time Still Turns the Pages” (《遺書》), “The Dinner” (《陽》) and “A Light Never Goes Out” (《燈火闌珊》) of the fifth edition.

⁴ To encourage more local film productions for commercial release, the FPFS was introduced in 2007 to provide financing to small-to-medium budget films (i.e. production budget not exceeding \$25 million per film). The Government may invest up to 40% of approved production budget or actual production costs (whichever is lower) with a cap of \$6 million.

⁵ Under the FPGS, low-budget film productions with production budget not exceeding \$13 million were provided a subsidy up to 20% of approved production budget or actual production costs (whichever is lower) with a cap of \$2 million.

你！》)。Of these, “Tomorrow is Another Day” (《黃金花》) scooped the Best Actress and the Best New Performer awards at the 37th HKFA in 2018, and “Men on the Dragon” (《逆流大叔》) received 13 nominations and winning two awards (namely, the Best Original Film Score and the Best Original Film Song awards) at the 38th HKFA in 2019. Launched in November 2015 as a pilot and ended in end-February 2018, the FPGS has subsidised production of 13 local films, four of which have been commercially released by end-May 2019, including “Zombiology: Enjoy Yourself tonight” (《今晚打喪屍》), “Lucid Dreams” (《八步半 喜怒哀樂》), “Napping Kid” (《逆向誘拐》) and “The Lady Improper” (《非分熟女》)。

19. With the new funding injection, we will raise the current production budget limit under the FPFS from \$25 million to \$60 million to cover mid-budget productions, and the maximum government financing amount per approved project from \$6 million to \$9 million, while the maximum contribution of financing support per approved project remains at 40% of the production budget.

(C) Expanding Markets

20. We have continued to provide funding support to the Hong Kong Trade Development Council (HKTDC) for promoting the Entertainment Expo⁶. As a key part of the Entertainment Expo, the Hong Kong International Film & TV Market (FILMART) serves as the largest marketplace in Asia offering a cross-media and cross-boundary trade and networking platform covering film financing, post-production, digital entertainment, licensing, etc. In 2019, FILMART attracted some 880 exhibitors from over 35 countries/regions and nearly 9 000 visitors.

21. CreateHK has also continued to fund the Hong Kong-Asia Film Financing Forum (HAF), which is another key programme of the Entertainment Expo and a major film financing platform matching filmmakers with financiers, producers, bankers, distributors and buyers. In HAF 2019, a total of 42 film projects (including eight Hong Kong productions and Mainland-Hong Kong co-productions) from 21 countries/regions were selected for showcasing. More than 1 000 visitors from 40 countries/regions joined HAF 2019 and 1 197 business matching meetings were held.

⁶ First held in 2005, the Entertainment Expo is a mega event encompassing television, film, music and digital entertainment. It aims to promote Hong Kong as a hub of creative industries.

22. In the past year, CreateHK has assisted overseas Hong Kong Economic and Trade Offices to co-organise or participate in overseas film festivals to promote Hong Kong films. Examples include the Udine Far East Film Festival 2018 and Salento International Film Festival 2018 in Italy, Thessaloniki International Film Festival 2018 in Greece, London East Asia Film Festival 2018 and Chinese Visual Festival 2019 in London.

(D) Building Audience

23. CreateHK works closely with the HKIFFS for audience cultivation. The Hong Kong International Film Festival (HKIFF), mainly funded by the Government, is an annual signature film appreciation programme. HKIFF 2019 saw 360 screenings of 231 films from about 63 countries/regions, attracting about 67 000 film-goers. The Government also sponsored addition of Chinese subtitles and provision of discounted student tickets to cultivate film literacy and young audience base.

24. CreateHK has also continued to implement audience development programme at the North District Town Hall (NDTH) which had been equipped with screening facilities. CreateHK collaborated with the Hong Kong Film Art Association in presenting two free film screening programmes of “Love Your Life” at NDTH from February to August 2018 and from September 2018 to March 2019, with a view to enhancing understanding of film culture and cultivating film appreciation interest and habit among the public, especially secondary school students. During the reporting period, 68 screenings of films of various genres and 68 post-screening talks have been held, attracting over 12 700 participants in total.

Location Shooting and Special Effects Materials

25. CreateHK facilitates filming of local and overseas film and television productions in Hong Kong. During the reporting period, CreateHK handled 2 150 enquiries and followed up on 581 requests for assistance raised by 167 production crews, on matters such as location scouting, obtaining permission for location filming and lane closure.

26. CreateHK also performs statutory functions of issuing licences and permits for use of special effects materials (e.g. pyrotechnics and inflammable materials) in production of films, television and other entertainment programmes. During the reporting period, CreateHK issued 1 471 such licences and permits.

(III) Other Creative Sectors

27. During the reporting period, CreateHK has continued to support the other creative sectors mainly through the CSI, pursuant to the three strategic foci, namely, (a) nurturing talent and facilitating start-ups; (b) exploring markets; and (c) fostering a creative atmosphere. Efforts expended under the three strategic foci are set out below. Number of projects and funding amount by the three strategic foci are at **Annex 6**.

(A) Nurturing Talent and Facilitating Start-ups

28. During the reporting period, initiatives under this strategic focus include:

- (a) Graduate Internship Programmes, which provided opportunities for one-year full-time employment and on-the-job training with digital entertainment, digital advertising and design companies for young graduates of specified creative disciplines.

During the reporting period, 48 interns were admitted under the Hong Kong Digital Entertainment Industry Fresh Graduate Support Scheme and the Hong Kong Digital Advertising Industry Fresh Graduate Support Scheme, out of 277 since their inception in 2011; whereas 19 interns were admitted under the Design Graduates Employment Supporting Scheme since its inception in mid-2018;

- (b) Animation Support Programme, which assisted start-ups or small companies to produce original creative animation works for showcasing in FILMART and on television. During the reporting period, 22 companies were admitted, out of 101 since inception in 2012; and
- (c) Microfilm Production Support Scheme (Music), which offered funding support and mentorship for start-ups or small advertising production companies. During the reporting period, 27 companies were admitted, out of 111 since inception in 2013.

(B) Exploring Markets

29. During the reporting period, initiatives under this strategic focus include:

- (a) Sponsored 28 Hong Kong creative companies of advertising, design, branding and marketing services to participate in the “Creativity in Business” seminar series in Hunan organised by the HKTDC;
- (b) Sponsored 149 Hong Kong publishing and printing companies to participate in major international book fairs (including Frankfurt Book Fair, Beijing International Book Fair, China Shanghai International Children’s Book Fair and Taipei International Book Exhibition); and
- (c) Organised a delegation visit including 24 Hong Kong digital entertainment practitioners to Kuala Lumpur, Malaysia to explore opportunities for game development, game publishing, animation production and animation publishing.

(C) Fostering a Creative Atmosphere

30. During the reporting period, initiatives under this strategic focus include:

- (a) Hong Kong Asian Pop Music Festival, rounding up recording artists from Hong Kong, the Mainland and seven other Asian countries/regions⁷ to take part in a contest and performances;
- (b) deTour 2018, a concurrent event of Business of Design Week (BODW) 2018 which took place in PMQ and featured design and creative expressions from young and emerging talent; and
- (c) Enhancement of the Hong Kong Avenue of Comic Stars in Kowloon Park with display of comics drawings.

(IV) Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) Development and Belt and Road (B&R) Initiative

31. The Greater Bay Area Development and the B&R Initiative present new opportunities for Hong Kong’s creative industries. In particular, the Greater Bay Area Outline Development Plan sets out to “deepen cooperation among Guangdong, Hong Kong and Macao in the cultural and creative industries” and “support Hong Kong in its development into an exposition hub for television and film”.

⁷ Namely, Japan, Malaysia, Singapore, South Korea, Taiwan, Thailand and Vietnam.

32. To assist the creative sectors to seize the opportunities and expand markets, CreateHK has organised and provided support for a number of activities to promote development of the eight creative industries in the concerned countries/regions/cities.

Greater Bay Area Development

33. Examples for efforts specific to the Development include:

- (a) Organisation of two seminars, namely, “Dream Factory in Bay Area” and “Cantonese Movies Opportunities in the Greater Bay Area”, at FILMART 2018 and 2019 respectively, to enhance the sector’s understanding of the Mainland film market and to promote collaboration in the Greater Bay Area;
- (b) Co-organisation of Guangdong-Hong Kong-Macao Film Exchange Programme in Huizhou in 2018 to provide opportunities for 105 film practitioners from Greater Bay Area cities to share experience and explore areas of collaboration;
- (c) Co-organisation of Guangdong-Hong Kong-Macao Training Workshops in 2018 to assist young filmmakers to improve their pitching skills to attract investors (especially those from the Greater Bay Area) for their film projects. Over 180 film practitioners attended the workshops;
- (d) Funding support for “Hong Kong-Mainland Creative Initiatives 2018” which aimed to strengthen the development of creative industries of Hong Kong and Mainland cities and to build Hong Kong and Shenzhen as the “Design Twin Cities” of the Great Bay Area through workshops, seminars, business matching sessions, exhibitions, etc., including the “HK-SZ Design Twin-Cities” (formerly known as “HK-SZ Design Biennale”) in October 2018; and
- (e) Organisation of a design delegation to Guangzhou and Shenzhen in 2019 to share experience and explore areas of collaboration with their local counterparts.

B&R Initiative

34. Examples for efforts specific to the Initiative include:

- (a) Organisation of a film delegation to Hungary in September 2018 for Hong Kong producers, action choreographers, cinematographers and post-production specialists to share with their Hungarian counterparts experiences in designing, shooting and editing action scenes;
- (b) Organisation of delegation visits of other creative sectors to enhance their understanding of overseas markets and providing opportunities for networking and business matching, including a delegation of young architects and interior designers to United Arab Emirates in June 2018, a printing delegation to Minsk, Belarus in October 2018 and a delegation of digital entertainment sector to Kuala Lumpur, Malaysia in February 2019; and
- (c) Sponsoring a delegation of game companies and start-ups to participate in G-Star, an international game show in South Korea, and awardees of HK4As Kam Fan Awards to attend international advertising festivals and competitions in Thailand and France.

(V) Performance Pledge

35. For events funded by the CSI, CreateHK pledges to notify the applicant result or evaluation result within 50 clear working days after receipt of all required information for funding application or completion report respectively. Among the 82 application results sent during the reporting period, around 95% met the performance pledge. Among the 55 evaluation results sent during the same period, around 84% met the performance pledge. For cases not meeting the performance pledges, the major reason was due to the growing complexity and scale of the projects, requiring more clarification and liaison with the project proponents and longer processing time. We will closely monitor the situation and strive to expedite as far as practicable.

OVERVIEW OF HKDC

36. Established in 2001 by five design associations⁸, the HKDC has been a close partner of the Government in promoting design and related creative industries.

⁸ Namely, the Hong Kong Designers Association, the Chartered Society of Designers, Hong Kong, the Hong Kong Interior Design Association, the Hong Kong Fashion Designers Association and the Hong Kong Federation of Design Associations.

37. With the missions to undertake (a) publicity and promotion of Hong Kong's design works; (b) promotion of design leadership and continuous learning; (c) promotion of design excellence; (d) nurturing of design-entrepreneurs; and (e) supporting development of Hong Kong's fashion design industry, the HKDC's programmes and activities target a wide spectrum of audience (including business leaders, entrepreneurs, brand owners, corporate executives, design professionals and students, the public, etc.) and are in line with the Government's strategic foci.

38. With the \$300 million earmarked from the CSI for the HKDC for taking forward priority projects in its funding cycle commencing on 1 April 2019, the HKDC will conduct from 2019-20 to 2021-22 three annual editions of BODW, DFA Awards, Knowledge of Design Week (KODW), Nurturing Programme of Hong Kong Young Design Talents, Fashion Asia Hong Kong and programmes to promote creativity and design thinking; as well as administer Design Incubation Programme (DIP) Phase IV and Fashion Incubation Programme (FIP) Phase II starting from 2020-21.

REVIEW OF THE WORK OF HKDC IN 2018-19 AND WORK PLAN FOR 2019-20

39. The Government provided a non-recurrent allocation of \$98.6 million to support the HKDC's basic operation and implementation of the Fashion Initiatives from July 2015 to end-March 2019. Examples of projects fulfilling the HKDC's missions are set out below:

(A) Publicity and Promotion of Hong Kong's Design Works

40. During the reporting period, the HKDC organised a cultural tram ride networking occasion for local and overseas contacts of the Global Design Network and other design/creative associations during the BODW. Throughout the year, the HKDC had received local and overseas delegations/visitors of different sectors.

41. To implement measures to reinforce Hong Kong's status as a city of design excellence in Asia and promote Hong Kong's position as a creative hub, the HKDC organised a four-day Design Exchange Tour (DeX Tour) 2018, third along the series, in Tokyo for 12 budding designers selected among awardees of DFA Hong Kong Young Design Talent Award (DFA HKYDTA)⁹ and incubatees of the DIP and FIP.

⁹ An annual programme to award outstanding young designers with government funding to pursue work attachment or further study overseas.

2019-20

42. Looking ahead, in collaboration with “Think Asia, Think Hong Kong” organised by the HKTDC in Los Angeles of the United States in September 2019, the HKDC will organise another DeX Tour to California, comprising sharing and exchange sessions and showcasing of projects at an exhibition, which will then be roved to Hong Kong in December 2019.

(B) Promotion of Design Leadership and Continuous Learning

43. BODW 2018, with Melbourne as the partner city under the theme “Think · Collaborate · Create”, attracted 93 creative experts, design professionals, corporate executives, etc. to share experiences and explore new ideas in design, business, technology and brands. The week-long programme and its concurrent events (e.g. BODW City Programme (CityProg), DFA Awards Presentation Ceremony, Fashion Asia Hong Kong, Business of IP Asia Forum, DesignInspire, deTour, Global Design Network Symposium, Leadership Forum on Design Education, etc.) attracted some 230 000 participants, an all-time high.

44. As a novel attempt, BODW CityProg was first launched in 2018 to engage the public, activate the community and foster collaboration with local businesses and brands. It also acted as the platform to facilitate exchange between Hong Kong and the partner country/city, design and business, local and overseas designers, designers and the general public. The CityProg of BODW 2018 was organised with a mix of activities and education programmes at 10 anchor sites and satellite sites, with over 100 brands, businesses, organisations, institutions and local creative communities especially around Wan Chai, attracting over 76 000 participants.

45. The HKDC organised KODW 2018 in June 2018 under the theme “Design for Liveability” served as a knowledge-sharing and networking platform on creativity and design, having attracted over 840 participants.

46. The HKDC had conducted a series of workshops to instill the mind-set of creativity and design thinking as a problem-solving capability into the mid-management and senior management in the civil service, with total participants of over 110 officers during the reporting period. The HKDC has also reached out to all sectors through a series of events under the “Propelling Design Thinking”¹⁰ programme.

¹⁰ Including a launch reception, a roundtable with C-Suites, a briefing for school principals, a two-day forum, workshops, survey and focus group meetings and a television programme.

2019-20

47. For BODW 2019, Hong Kong will partner with the United Kingdom under the theme “DESIGN IS GREAT” on 2-7 December 2019. BODW CityProg 2019 will continue to organise a mix of activities and education programmes at anchor sites and satellite sites in different districts.

48. The upcoming edition of KODW 2019 in June 2019 featuring the theme “Designing Digital Futures” will explore a myriad of ways in which digital technology integrated with human-centred design to transform and shape “Liveable Smart City”, “Future Retail & Lifestyle” and “Digital Health”.

49. The HKDC will also continue its efforts in promoting design thinking, such as offering workshops for organisations across sectors to promote wider and strategic use of design for innovation.

(C) Promotion of Design Excellence

50. During the reporting period, the HKDC has continued to promote design excellence through honouring outstanding achievements of design practitioners, companies and business leaders with the DFA Awards programmes. A total of 1 079 entries from 18 countries/regions for the DFA Design for Asia Awards 2018 were received, with Hong Kong designers accounting for 55 (including three Grand Awards, five Grand Awards with Special Mention and six Gold Awards) out of 187 awarded entries. Four roving exhibitions in Hong Kong, Bangkok, Tainan and Tokyo and one exhibition at DesignInspire of BODW 2018 of DFA Awards’ winning designs were held, attracting in total around 110 000 visits. Promotion of the DFA Awards was also held in various Mainland and overseas cities, namely, Shenzhen, Shanghai, Tainan, Melbourne, Tokyo, Seoul and Bangkok.

51. The HKDC has introduced two new initiatives, namely, the Design for Asia @ kapok Pop-up Store, featuring 13 Design for Asia award-winning products in collaboration with a local design and fashion lifestyle store from April to July 2018; and the DFA Tour piloted in May 2018, which allowed the participants to visit and learn the winning projects in Taiwan.

52. DFA HKYDTA 2018 received over 250 applications and selected 16 winners, among whom 13 were given financial support from CreateHK, the Hong Kong Polytechnic University and Hong Kong Design Institute to undertake work attachments or overseas studies; while the remaining three received Young Design Talent Special Mention Award. During the reporting period, three overseas roving exhibitions for the DFA HKYDTA in

Bangkok, Tainan and Tokyo and one exhibition in Hong Kong were held alongside DFA Awards' other programmes.

2019-20

53. In 2019-20, the DFA Design for Asia Awards 2019 is open for submission from 1 April to 28 June 2019. The HKDC will continue to hold exhibitions and events promoting the past winners and award programmes in different Asian cities and Hong Kong.

54. The HKDC is setting up a new project called "Design Spectrum" at No. 7 of Mallory Street in Wan Chai, a revitalised cluster of Grade 2 historic buildings, to launch a year-long programme to promote design thinking and foster a creative atmosphere within the community and at district level.

(D) Nurturing of Design-entrepreneurs

55. The HKDC has been administering the DIP since May 2012¹¹ which offers financial assistance and incubation services to design start-ups over a two-year incubation period to help them build up business network, publicise products and conduct market promotions. As at end-March 2019, the DIP has admitted 233 incubatees, including 60 recruited under the current phase (Phase III) starting in 2016-17. A total of 68 international awards and 228 local awards have been attained by DIP incubatees. The incubatees have lodged applications for five patents, 264 trademarks and 45 registered designs and created 833 job opportunities.

2019-20

56. The DIP will complete the target of recruiting 90 incubation companies under Phase III. The HKDC is undertaking preparatory work for commencement of Phase IV in 2020-21.

(E) Supporting Development of Hong Kong's Fashion Design Industry

57. During the reporting period, the HKDC organised a major promotional project in Hong Kong, namely, Fashion Asia 2018 Hong Kong in which forum attracted 29 renowned speakers and over 1 700 attendances, while the exhibition attracted around 35 000 visitors in Hong Kong and Shanghai. It also continued to administer FIP. As at end-March 2019, 70

¹¹ The DIP was first launched by the Hong Kong Science and Technology Parks Corporation at InnoCentre in 2006. The HKDC took over the administration of the DIP in May 2012.

applications were received and 14 incubatees admitted, among whom four local awards and four international awards were attained.

2019-20

58. In the coming year, the HKDC will continue to provide support for the promotion of the fashion design industry of Hong Kong, and is undertaking preparatory work for commencement of Phase II of FIP in 2020-21.

59. Construction works for the Sham Shui Po (SSP) Design and Fashion Project in a redevelopment project of Urban Renewal Authority in the district has commenced and is expected to be completed in 2023-24. In the interim, the HKDC will collaborate with the Hong Kong Tourism Commission to organise promotion activities with elements of fashion design such as fashion parades, in SSP to transform the area into a focal point for creative industries and tourism with strong local flavours, and build up the momentum before the official commissioning of the Project.

WAY FORWARD

Film Sector

60. In addition to the on-going and new initiatives under the FDF as set out in paragraphs 11 to 26 above, the CE announced in April 2019 five relaxation measures¹² by the relevant Central authorities to further facilitate Hong Kong's film sector entering the Mainland market. We will follow up with the relevant Central authorities for early implementation. These measures will bring more benefits to the trade and encourage the Hong Kong film industry to play a more active role in production and promotion of Mainland films and co-productions. We will continue to work with the trade and liaise with the relevant authorities with a view to opening up more opportunities in the Greater Bay Area which has a population of around 70 million presenting great development potential for Hong Kong films.

¹² These five measures are: (a) to remove the restriction on the number of Hong Kong people participating in Mainland film productions; (b) to remove the restriction on percentage of artistes and requirement of Mainland-related plots in motion pictures jointly produced by the Mainland and Hong Kong (Mainland-Hong Kong co-productions); (c) to waive the fees for establishing Mainland-Hong Kong co-production projects; (d) to allow Hong Kong films and film practitioners to apply for nomination for awards in Mainland film festivals; and (e) to allow Hong Kong film companies to apply for incentives for distributing and promoting outstanding Mainland motion pictures and Mainland-Hong Kong co-productions in Hong Kong, Macao and overseas.

Other Creative Sectors

61. The trade's response to the recent injection of \$1 billion to the CSI in May 2018 has been enthusiastic. By end-March 2019, the year-on-year increases in the number of applications received and funding committed are 51% and 135% respectively. We will seek to achieve greater impact through different initiatives in line with the strategic foci as aforementioned, and will continue to promote the community's awareness of creativity and design thinking. The HKDC will also continue with its role as our strategic partner in the promotion of design in accordance with its work plan for major initiatives set out in the above paragraphs.

ADVICE SOUGHT

62. Members are invited to note the above and give their views.

**Communication and Creative Industries Branch
Commerce and Economic Development Bureau
31 May 2019**

**Key Programmes Funded by Create Hong Kong
(1 April 2018 – end-March 2019)**

Film Sector	
<p>(1) The 17th Hong Kong Asia Film Financing Forum</p> <p>The Forum is a Hong Kong-based international collaboration platform for co-financing and co-production among filmmakers and financiers. The 17th edition was held at Hong Kong Convention and Exhibition Centre on 18-20 March 2019. Over 1 000 filmmakers and financiers from around 40 countries and regions participated in the event.</p>	
<p>(2) Hong Kong Film New Action 2018 - Nova Power</p> <p>Ten young fashion designers from the Fashion Incubation Programme administered by the Hong Kong Design Centre and Hong Kong Film Arts Association were tasked to design night wears for 10 emerging artistes from winning projects of the First Feature Film Initiative to help build their image and enhance their star quality. The artistes and fashion designers walked the red carpet in pairs during the 37th Hong Kong Film Awards Presentation Ceremony on 15 April 2018.</p>	
<p>(3) Hong Kong Film New Action 2019 – Magic Touch of Film Music</p> <p>To promote Hong Kong’s film music and music composers, a promotional booklet was published and an exhibition booth was set up during FILMART 2019 this March. An inauguration ceremony for the newly established Hong Kong Film Composers’ Association was also organised to celebrate its inception and promote Hong Kong film composers. Over 350 guests attended the event.</p>	

Other Creative Sectors

Advertising

(4) The 4th Hong Kong Digital Advertising Industry Fresh Graduate Support Scheme

The programme helps nurture talent for the digital advertising industry. Twenty-nine graduates were recruited in 2018 for a one-year full-time employment and on-the-job training with participating advertising companies.



(5) The 6th Microfilm Production Support Scheme (Music)

Twenty-two advertising production start-ups were provided with funding support to produce a microfilm, which featured local singers/music groups. The completed microfilms were promoted through the FILMART, social media etc.



Architecture

(6) The 16th Venice Biennale International Architecture Exhibition (Hong Kong Exhibition and Response Exhibition)

The Hong Kong Exhibition in 16th Venice Biennale themed “Vertical Fabric: Density in Landscape” was held from 25 May to 25 November 2018. A total of 107 exhibits by local and overseas exhibitors were showcased. The exhibition demonstrated the unique developments in Hong Kong architectural design and urban planning and promoted Hong Kong’s architecture and urban development in the international arena.



Design

(7) Business of Design Week (BODW) 2018

Melbourne was the partner city of BODW 2018.

Business leaders and creative masters offered their insights into design, innovation and branding. BODW 2018 inspired participants on creative thinking and design management, and provided an important platform for facilitating idea exchanges and business cooperation.



(8) Knowledge of Design Week (KODW) 2018

Riding on the theme “Design for Liveability”, KODW 2018 was a design knowledge sharing platform for design practitioners and business sector to enrich design knowledge and explore the latest design trend.



(9) UNLEASH! Empowered by Design Thinking

This two-day forum is part of the series of activities under the “Propelling Design Thinking” programme to enhance awareness of design thinking and encourage its application across different sectors.



<p>(10)</p>	<p>Design Trust Futures Studio 2018</p> <p>Young design practitioners joined a mentorship programme to develop innovative park concepts and transformed their designs into reality with inputs from local communities.</p>	 
<p>(11)</p>	<p>JUXTAPOSED Fashion X Music 2018</p> <p>A large-scale evening catwalk with music and lighting elements and an exhibition at Tai Kwun that featured pieces of 75 Hong Kong fashion designers and local fresh design graduates.</p>	
<p>Digital Entertainment</p>		
<p>(12)</p>	<p>The 3rd Hong Kong Digital Entertainment Industry Fresh Graduate Support Scheme</p> <p>The programme nurtures talent for the digital entertainment sector. In 2018, 19 graduates were recruited for a one-year full-time employment and on-the-job training with participating digital entertainment companies.</p>	

(13) The 6th Animation Support Programme

Ten start-ups and 12 small animation enterprises were sponsored to produce original creative animation work.

Some animation films produced with the sponsorship have won awards in international animation film festivals such as DigiCon 6 Asia in Japan.



Music

(14) Hong Kong Asian-Pop Music Festival 2019

The Festival is a core programme of the Entertainment Expo, consisted of music performance by top artistes and music contest of new artistes.

In 2019, the Festival had participation from nine Asian countries/regions, having attracted a live audience of around 7 000, and was broadcasted on television to overseas audiences.



(15) Ear Up Record Label Creation and Incubation Program

Twelve talented singers/bands were recruited and provided with training in developing their independent/small labels through talks, workshops and forums.

These singers/bands had over 253 performance opportunities in Hong Kong, the Mainland and overseas, reaching out to 61 500 live and online audiences. In 2018, over 28 music albums/EPs were released among them.



<p>(16)</p>	<p>Ear Up Global 2018</p> <p>To broaden music talent's exposure by performing outside Hong Kong, 12 singers/bands were paired up with mentors (local singers/bands) and funded to perform in overseas/Mainland music festivals, namely "Noise Pop Music & Arts Festival" in the US, "Strawberry Music Festival" in Shanghai, "Theatron Musik Sommer" in Munich and "Zandari Festa" in Seoul. Training, experience sharing sessions and visits were also held.</p>	
<p>Printing and Publishing</p>		
<p>(17)</p>	<p>Participation in International Book Fairs</p> <p>The printing and publishing sector was sponsored to set up a Hong Kong pavilion in international major book fairs in Frankfurt, Beijing, Shanghai, Taipei and Bologna in 2018.</p> <p>Participating companies benefitted from the opportunities to increase exposure, expand business networks, and establish direct contacts with the potential clients or readers.</p>	
<p>Television</p>		
<p>(18)</p>	<p>TV World 2018</p> <p>In the Opening Forum of TV World 2018 under the theme "Television and new media: Competitors? Or complement each other?", three overseas and one local industry speakers shared their insights into online business environment of television-related industries.</p> <p>Workshops and discussion forums were also held to allow local industry practitioners to gain a better understanding of the recent developments in the international television industry and acquire knowledge of the latest television content production technology. Around 600 participants joined the programmes.</p>	

Projects Organised or Sponsored by Create Hong Kong (CreateHK)

(Cumulative up to end-March 2019 since CreateHK established in June 2009)

(A) Key Performance Indicators (KPIs)

		CreateSmart Initiative (CSI)	Others⁽¹⁾	Total
(Percentage changes from the position of 1 April 2018)				
(1)	Number of approved projects	480 (+15%)	398 (+14%)	878 (+14%)
(2)	Number of participants	About 57.4 million (+133%)	About 12.5 million (+10%)	About 69.9 million (+95%)
(3)	Number of created job opportunities ⁽²⁾	21 220 (+38%)	9 620 (+6%)	30 840 (+26%)
(4)	Number of small and medium-sized enterprise (SME) beneficiaries	1 920 (+13%)	100 (+7%)	2 020 (+13%)
(5)	Number of business contacts or enquiries created for SMEs	19 700 (+38%)	100 (-)	19 800 (+38%)
(6)	Number of awards attained by creative talent who have participated in international competitions with funding support from CreateHK	90 (+13%)	130 (+8%)	220 (+10%)
(7)	Number of nurturing opportunities created for creative talent and start-ups ⁽³⁾	56 600 (+21%)	2 800 (+6%)	59 400 (+20%)
(8)	Number of television audience reached out by those funded awards presentation and musical programmes	About 340.3 million (+22%)	About 2,018.8 million (+0.02%)	About 2,359.1 million (+3%)

Note:

- (1) "Others" mainly covers those projects funded by the Film Development Fund (FDF) and the DesignSmart Initiative (DSI) as well as projects directly conducted by CreateHK since its establishment in June 2009.
- (2) Comprising jobs directly created and indirectly created.
- (3) Not including those provided under the Design Incubation Programme and the Fashion Incubation Programme.
- (4) Figures may not add up to total due to rounding.
- (5) The Legislative Council Panel on Information Technology and Broadcasting agreed on 8 January 2018 that for the new \$1 billion injection into the CSI, four additional KPIs would be used, namely, (a) public participation; (b) media coverage; (c) the number of opportunities to showcase creations or talent; and (d) the number of business deals secured. These four new KPIs are not featured in this Annex as they are applicable to CSI projects funded by the new injection and such projects have yet been completed by end-March 2019.

(B) Participants' Satisfaction Level

		CSI	Others⁽¹⁾	Overall
(a)	Percentage of respondents who rated the activities/programmes as “Excellent”, “Very satisfactory” or “Satisfactory”	98%	98%	98%
(b)	Percentage of respondents who rated the duration/format/content/ publicity/ participation fee of the activities/ programmes as “Excellent”, “Very satisfactory” or “Satisfactory”	92%-97%	91%-97%	92%-97%
(c)	Percentage of respondents who considered the activities/ programmes helped achieve the following objectives: <i>Enhance Knowledge in the Business, Expand Contact Network, Explore New Business Opportunities, Better Understand the Industry's Position in the Global Markets, Broaden the Scope of the Industry</i>	81%-91%	74%-89%	81%-91%
(d)	Percentage of respondents who rated the activities/programmes as “Definitely Useful”, “Very Useful” and “Useful”	92%	91%	92%

Note:

- (1) “Others” mainly covers those projects funded by the FDF and the DSI as well as projects directly conducted by CreateHK since its establishment in June 2009.
- (2) The number of respondents was around 128 000.

**Funding Position of Film Development Fund
(2016 to 2019)**

	2016	2017	2018	2019 (By end-March)
Number of Applications Received	40	36	38	11
Number of Projects Approved	18	28	24	8
Total Approved Amount	\$28.5 million	\$61.6 million	\$68.1 million	\$18.0 million

**Funding Position of CreateSmart Initiative
(2016 to 2019)**

	2016	2017	2018	2019 (By end-March)
Number of Applications Received	82 ⁽¹⁾	71	108 ⁽²⁾	30 ⁽³⁾
Number of Projects Approved	49 ⁽¹⁾	51	57 ⁽²⁾	12
Total Approved Amount	\$235.8 million⁽¹⁾	\$137.8 million	\$223.5 million⁽²⁾	\$65.6 million

Note:

- (1) Including approved funding of \$106.5 million for Phase III of the Design Incubation Programme and Phase I of the Fashion Incubation Programme.
- (2) Including four approved projects under dedicated funding to Hong Kong Trade Development Council for 2018-19.
- (3) Including eight projects under dedicated funding for the Hong Kong Design Centre for 2019-20.

List of Film Production Projects Funded by Film Development Fund**(1) First Feature Film Initiative**

Film Project	Funding Amount (\$Million)	Box Office (\$Million)
Weeds On Fire*	2.0	4.7
Mad World*	2.0	17.1
Somewhere Beyond the Mist*	5.0	0.8
In Your Dreams*	3.3	0.6
Still Human *	3.3	19.5
Apart	5.5	N.A.
G Affairs *	5.5	1.0
My Prince Edward	3.3	N.A.
Hand-rolled Cigarette	3.3	N.A.
Elisa's Day	5.5	N.A.
Time Still Turns the Pages	3.3	N.A.
The Dinner	3.3	N.A.
A Light Never Goes Out	5.5	N.A.
Total	50.6#	43.7

(2) Film Production Financing Scheme

Film Project	Funding Amount (\$Million)	Box Office (\$Million)
McDull Kungfu Ding Ding Dong*	3.6	2.5
Claustrophobia*	1.6	0.8
Coweb*	3.0	0.0
Strawberry Cliff*	3.0	0.7
Give Love*	2.4	0.2
Lover's Discourse*	1.9	2.0
Echoes of the Rainbow*	3.6	23.1
Break Up Club*	1.8	10.3
La Comédie humaine*	2.5	7.5
37*	2.8	0.0
Beach Spike*	2.8	1.7
Lost in Wrestling*	3.7	0.0
MicroSex Office*	1.7	3.4
The Killer Who Never Kills*	3.0	0.5

Love Lifting*	2.7	1.3
Love Expert*	3.0	0.0
The Way We Dance*	2.1	13.6
A Complicated Story*	3.0	0.3
Bends*	4.0	0.4
Doomsday Party*	3.4	0.3
The True Love*	1.6	0.0
The Seventh Lie*	1.8	0.6
Kick Ass Girls*	2.3	1.5
The Midnight After*	5.3	21.3
Twilight Online*	1.5	4.5
Wonder Mama*	1.6	0.4
The Merger*	2.0	0.5
The Moment*	2.8	0.2
Tomorrow is Another Day*	3.4	6.0
Men On The Dragon*	4.5	15.7
Love Revolution *	3.0	N.A.
Ciao, UFO	5.4	N.A.
I Love You, You're Perfect, Now Change*	5.2	8.9
Total	96.0	128.2

(3) Film Production Grant Scheme

Film Project	Funding Amount (\$Million)	Box Office (\$Million)
Lucid Dreams*	2.0	0.5
Napping Kid*	1.4	1.1
Zombiology: Enjoy Yourself Tonight*	2.0	5.0
Ann Hui's Doc	2.0	N.A.
Forget Me Knot	1.2	N.A.
Impossible Split	2.0	N.A.
The Lady Improper *	2.0	4.2
The First Girl I Loved	1.1	N.A.
Lost in Home, Found in Family	2.0	N.A.
Fool that I am	1.4	N.A.
Just 1 Day	2.0	N.A.
The Way We Dance 3	2.0	N.A.
Take Two	1.7	N.A.
Total	22.7	10.8

Note:

- (1) Hong Kong box office figures as at 30 May 2019.
 - (2) Figures may not add up to the total due to rounding-off.
 - (3) Since the box office in Hong Kong for some of the films is less than \$50,000, when rounding off to the nearest \$0.1 million, the box office for these films is 0.0.
- * The film has been commercially released.
- # The total amount of funding for the film projects does not tally with the total funding (\$54 million) of the overall scheme as the latter also includes other expenditures such as promotional expenses.

**Number and Funding Amount of Approved Projects under
CreateSmart Initiative by Strategic Foci**

Strategic Focus		Cumulative Total (June 2009 to end- March 2019)	1 April 2018 to end- March 2019
(1)	Nurturing Talent and Facilitating Start-ups	216 (\$489.1 million)	27 (122.5 million)
(2)	Exploring Markets	161 (\$341.4 million)	21 (\$67.8 million)
(3)	Fostering a Creative Atmosphere	103 (\$382.7 million)	15 (\$84.9 million)
Total		480 (\$1.213 billion)	63 (\$275.2 million)