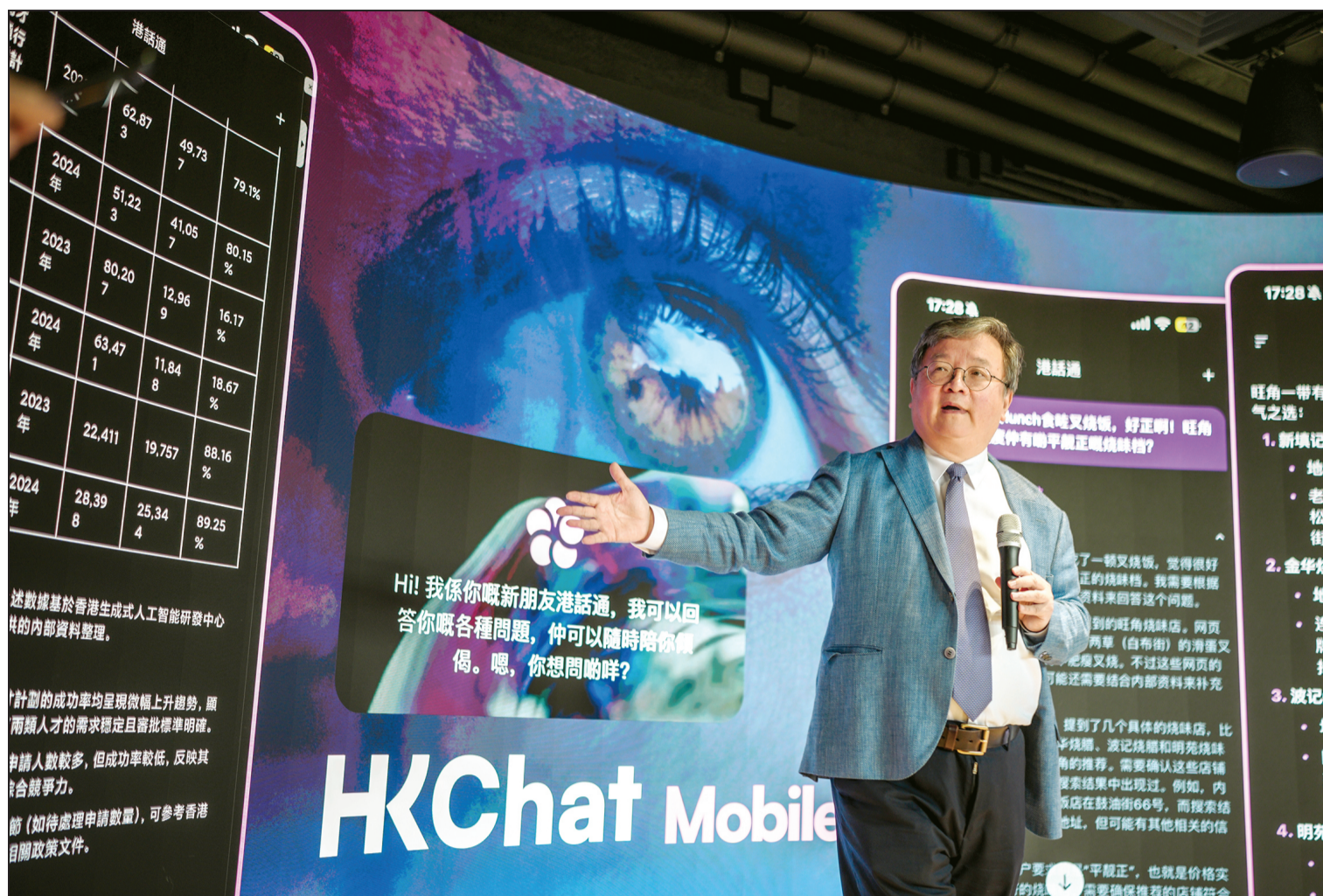


HKSAR



Guo Yike, director of the Hong Kong Generative AI Research and Development Centre, demonstrates some of the functions of HKGAI V1, Hong Kong's first homegrown artificial intelligence large language model, during the launch ceremony for the tool at the Hong Kong University of Science and Technology on Tuesday. ANDY CHONG / CHINA DAILY

SAR unveils locally developed AI model

HKGAI V1 hailed as a new chapter in city's innovation development

By STEPHY ZHANG in Hong Kong
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Hong Kong on Tuesday unveiled HKGAI V1, the city's first homegrown artificial intelligence large language model, expected to be available for public use by the end of this year.

The model features five specialized systems targeting distinct vertical applications — interactive dialogue, content generation, meeting summarization, legal case referencing, and environmental analysis. It supports Cantonese, Mandarin, and English, aligning with Hong Kong's "bilingual and trilingual" environment.

Addressing the launch ceremony, Secretary for Innovation, Technology and Industry Sun Dong hailed the tool as marking a new chapter in

the city's innovation and AI development.

The model was developed through 18 months of collaborative research by five local universities, coordinated by the Hong Kong Generative AI Research and Development Centre under the special administrative region government's InnoHK program.

Sun said that the AI R&D center was founded in October 2023 — months after the OpenAI's ChatGPT release, which remains unavailable in Hong Kong — as a result of the government's and academia's decision to "integrate forces to establish our own research and development platform".

He praised Hong Kong scientists for their efforts, expressing his pleasure that Hong Kong is now part of the AI-led tech boom.

Over 70

Number of government departments that have participated in pilot testing of HKGAI V1 since mid-2024

Sun said the model has undergone pilot testing in more than 70 government departments since mid-2024 and has received positive feedback.

He hopes Hong Kong's AI model will not only serve local industries and residents, but also overseas Chinese communities, potentially benefiting tens of millions of users worldwide.

HKGAI V1 was trained with the assistance of the Chinese mainland AI startup DeepSeek — which took the global AI sector by storm with its open-sourced DeepSeek-V3 model in December — combining data processing developed by the local R&D center.

Guo Yike, director of the R&D

center and a provost of the Hong Kong University of Science and Technology, said HKGAI V1 is the nation's first major model based on DeepSeek's full-parameter fine-tuning and continuous training.

During the ceremony, he demonstrated the dialogue system that provides real-time responses in multiple languages through a chatbot interface. It immediately solves users' inquiries such as tourism recommendations, government department structures, and the latest box office results, and can also animate photos and compose music.

Guo said the model, leveraging Hong Kong's local data, has achieved the localization and internationalization of DeepSeek, and will advance open-source and domestic adaptation.

He said he hopes to make the model publicly available by the end of this year.

Sun also highlighted the SAR government's broader efforts to support AI development, including the establishment of an AI supercomputing center, a HK\$3 billion (\$385.9 million) AI funding program, and the clustering of over 800 AI companies at Science Park and Cyberport.

"For AI development, the SAR government's direction is clear; its measures are powerful, and its actions are resolute," he added.

Airport posts strong growth amid sector recovery

By LI LEI in Hong Kong
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Hong Kong is diversifying its cargo destinations to mitigate geopolitical risks, as the city records a surge in passenger and cargo traffic, driven by policy support and a post-pandemic recovery of both airline capacity and the regional economy.

Airport Authority Hong Kong said on Monday that Hong Kong International Airport handled 5.28 million passengers in January, marking a 27.8 percent year-on-year increase, with Jan 25 setting a post-pandemic single-day record of 193,000 passengers.

In the meantime, cargo traffic reached 394,000 metric tons, up 4.1 percent year-on-year, while reexport cargo increased 12.2 percent.

Andrew Yuen Chi-lok, executive director of the Aviation Policy Research Centre at the Chinese University of Hong Kong's Business School, attributed the passenger spike to the rapid recovery of both local and foreign airlines, and increased travel demand during the Chinese New Year holiday, which was Jan 29-31 in Hong Kong.

"The combination of restored flight capacity and holiday travel demand has pushed passenger numbers to new highs," he stated.

He said that cargo traffic, especially air cargo, had less room to rebound as it was less affected during the pandemic.

William Chan Kit, a member of the Hong Kong Election Commit-

tee's transport constituency, said that intense competition in air ticket pricing has led to more affordable fares, contributing to the increase in passenger traffic.

The Chinese mainland factories' holiday closure might also have impacted cargo growth last month, he added.

Yuen said that the reexport cargo increase reflected Hong Kong's strategic position as a transit hub for mainland goods, before the mainland's international flight capacity fully recovers. "Hong Kong's extensive flight network makes it the preferred choice for reexporting goods globally," he added.

The most notable increases in passenger volume were on routes to and from Southeast Asia, the mainland, and Japan; while cargo growth was primarily on routes linking the Middle East, Europe, and Australasia.

Ben Chan Han-pan, who chairs Hong Kong Legislative Council's Panel on Transport, said Europe and the Middle East's e-commerce boom has boosted small parcel shipments. "In contrast, shipments to the US have declined due to geopolitical factors and tariff policies," he said.

William Chan agreed to the Middle East's growing economic importance and strategic value, particularly with the region's role in the Belt and Road Initiative, and the Hong Kong Special Administrative Region government's cooperation initiatives with other areas.

Locally, new transport infra-

“The combination of restored flight capacity and holiday travel demand has pushed passenger numbers to new highs.”

Andrew Yuen Chi-lok, executive director of the Aviation Policy Research Centre at the Chinese University of Hong Kong's Business School

structure continues to enhance connectivity, led by the HK\$141.5 billion (\$18.18 billion) three-runway system at Hong Kong International Airport, which became operational in November. The system is projected to strengthen the airport's annual capacity to over 120 million passengers and 10 million tons of cargo by 2035.

Yuen highlighted Hong Kong airport's strengths in the new facility and its established extensive flight network. "The third runway has increased capacity, making the airport more attractive for time-sensitive transport," he said.

William Chan added that the three-runway system addressed the previous challenge of shortages in commercially viable landing and takeoff slots, which had hindered international airlines from opting to use Hong Kong as a transit hub.

He proposed further policy sup-

port to enhance the competitiveness of local airports, and suggested authorizing Hong Kong airlines to stop over in mainland cities before flying to countries involved in the BRI, which would significantly boost Hong Kong's role as an international aviation hub.

The Airport Authority's January figures are part of a broader trend of aviation recovery in Hong Kong post-pandemic. Over the past 12 months, overall cargo volume grew by 12 percent to 4.95 million metric tons, surpassing 2019's 4.8 million tons.

Passenger traffic surged by 30.5 percent to 54.2 million, nearing the 2019 level of 71 million, while aircraft movements rose by 27.6 percent to around 368,000, also catching up with the 2019 level of 420,000.

These encouraging figures come as Hong Kong aims to solidify its status as a global aviation hub through various measures to make it more convenient for travelers from nearby cities to transit through the city, experts said.

This includes constructing terminals in cities across Guangdong province, such as Guangzhou and Foshan, where travelers can access cross-border coach, car, and high-speed ferry services to the airport in Hong Kong.

Ben Chan called for clearer differentiation among the Guangdong-Hong Kong-Macao Greater Bay Area airports, suggesting a distinct role for each airport and strengthening cooperation to avoid unnecessary competition.

24 tech firms to shine at Mobile World Congress

By LI XIAOYUN in Hong Kong
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Hong Kong tech firms are intensifying efforts to strengthen their foothold in Europe by attracting overseas investments and broadening sales channels, with some expecting high business growth in the region.

Twenty-four local tech companies are preparing to showcase their latest technological developments and innovations at the Mobile World Congress, one of the world's largest mobile technology gatherings, in Barcelona, Spain from March 3-6.

With the support of the Hong Kong Science and Technology Parks Corp and the Hong Kong Trade Development Council, these firms aim to establish connections with potential customers and investors as they seek to expand globally.

This will be the first time that local startup Aiqua Corp participates in an overseas exhibition, following the launch of its first-generation sonar-based drowning detection system in July.

Norman Chan, co-founder and head of engineering at Aiqua, said he aims to make contact with at least 10 venture capitalists at MWC. In addition to helping his company secure funding, Chan said these investors could provide insights on how to adapt Aiqua's products to meet the specific demands of the European market.

Because of the distance between Europe and Hong Kong, it is difficult to visit clients frequently, he said. To address the challenge, his company has created a complete set of solutions tailored for overseas markets, including guided and simplified installation methods that allow clients to install the system themselves.

Singular Technology, which focuses on augmented reality-based

orthopedic surgery assistance, also needs funding. CEO Louis Sze said he hopes to attract international investors at the upcoming exhibition, saying that as a medical device company, Singular requires financial support for research and development as well as securing device registrations in different markets.

This will be the company's second appearance at an international industry event, following the annual Consumer Electronics Show in Las Vegas last year. Sze said his products have started trials with clients in places as far away as Israel.

Altai Technologies, a Hong Kong provider of industrial-grade Wi-Fi solutions, aims to strengthen its presence in Europe beyond its established networks in the United Kingdom. "We hope to develop more sales channels in Europe and meet our target customers to showcase our homegrown technologies," company president Ken Leung said.

With strong demand for industrial Wi-Fi in Europe, Leung said he hopes the company can achieve high double-digit business growth in the region in the future.

Derek Chim, head of startup ecosystem and development at HKSTP, said that while Hong Kong has strong research capabilities, a competitive talent pool, and a good funding environment, it is still a relatively small market. "To achieve business growth, companies need to look beyond Hong Kong," he added.

Besides organizing companies for MWC, Chim said that the Science Park team will visit the UK to build connections with scholars and research teams at leading universities, in an effort to bring more talent to Hong Kong and encourage professionals who are interested in commercializing their research findings in China and the Asia-Pacific to use the city as a platform.

HK Disneyland gains first profit in a decade

By OSWALD CHAN in Hong Kong
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Hong Kong Disneyland Resort has recorded its first profit in 10 years, buoyed by an influx of Chinese mainland and overseas visitors as well as the continued strong growth of local customers.

The resort announced its results for the 2023-24 financial year on Tuesday, performing a sharp turnaround with a net profit of HK\$838 million (\$107.4 million), following a loss of HK\$356 million in the previous financial year.

Revenue increased 54 percent to HK\$8.8 billion, also setting a new high since its opening in 2005.

The total number of visitors to the park reached a record high of 7.7 million, and per capita consumption increased 28 percent. The overall occupancy rate of the park's three themed resort hotels increased by 26 percentage points to 73 percent.

The resort emphasized that the growth in the number of nonlocal visitors has outperformed the growth in the overall number of visitors to Hong Kong for the second consecutive year.

In the 2023-24 financial year, Hong Kong Disneyland Resort began to repay loans provided by the Hong Kong Special Administrative Region government and the Walt Disney

Company. As of the first quarter of the 2024-25 financial year, more than 60 percent of the loan amount had been repaid.

"The resort achieved its best performance for the last financial year since its opening, despite the challenging market conditions," said Michael Moriarty, managing director of Hong Kong Disneyland Resort, adding that the resort will celebrate its 20th anniversary in June, while making solid plans for future growth.

Jefferies equity analyst, Thomas Chong, forecast strong travel demand originating from the mainland, driven by young people with wanderlust as well as retirees with the money, energy and curiosity to explore the world, coupled with a relaxation in travel restrictions.

"Consumption in 2025 will likely fare better than last year, though only slightly. We think private consumption will see a recovery to 2 percent. Nominal retail sales growth should recover to 3.1 percent this year," said Adam Samdin, assistant economist at UK-based think tank Oxford Economics.

Samdin argued that although tourism business receipts in Hong Kong have been flat since 2023, tourism inflows are seemingly stabilizing at a lower ceiling than before, so that a mild recovery in tourist spending can be expected.

Drug bust



Five hundred twenty kilograms of suspected cocaine worth more than HK\$430 million (\$55.31 million) is displayed by Hong Kong police officers to the media on Tuesday during a briefing on a police anti-narcotics operation. Police seized the suspected drugs and arrested two men during a raid in Tseung Kwan O on Sunday. ADAM LAM / CHINA DAILY