

For discussion on
6 March 2017

Legislative Council
Panel on Commerce and Industry
Panel on Development
Panel on Information Technology and Broadcasting

**Hong Kong-Shenzhen Innovation and Technology Park
in the Lok Ma Chau Loop**

On 3 January 2017, the Government of the Hong Kong Special Administrative Region (“HKSAR Government”) and the Shenzhen Municipal People’s Government (“both sides”) signed the Memorandum of Understanding on Jointly Developing the Lok Ma Chau Loop by Hong Kong and Shenzhen (“MOU”) (see **Annex A**), agreeing to jointly develop the Lok Ma Chau Loop into “Hong Kong-Shenzhen Innovation and Technology Park” (“the Park”), setting up a key base for scientific research, as well as relevant higher education, cultural and creative and other complementary facilities in the Park. This paper briefs Members on the project and related work of the Park.

DEVELOPMENT OF THE LOK MA CHAU LOOP

2. The Loop occupies 87 hectares of land and is originally within the administrative boundary of Shenzhen. In accordance with Order No. 221 of the State Council of the People’s Republic of China promulgated on 1 July 1997, after the training of the Shenzhen River, the boundary will follow the new centre line of the river. The Loop, originally within the administrative boundary of Shenzhen, has since been included within the administrative boundary of the HKSAR.

3. The Loop development was one of the ten major infrastructure projects in the 2007-2008 Policy Address. In March 2008, the “Hong Kong-Shenzhen Joint Task Force on Boundary District Development” (“Task Force”) under the “Hong Kong/Shenzhen Cooperation Meeting” agreed that both sides would conduct a joint comprehensive study on the development of the Lok Ma Chau Loop under the principle of “co-study and co-development”. The planning departments of both sides conducted public engagement on the future development of the Loop from June to July 2008. The outcomes indicated that higher education, high-tech research and development (“R&D”) as well as cultural and creative industries received more support by the public of both places.

4. In June 2009, “the Planning and Engineering Study on Development of LMC Loop” (“the Study”) was jointly commissioned by both sides. In the Stage 1 Public Engagement of the Study held between November 2010 and January 2011, the public generally supported the way forward of the Loop development and the proposed land uses. The public also considered that the superior location of the Loop should be utilised to enhance the cooperation of both places, and a balance between environmental protection and economic growth should be struck under the principle of sustainable development. In the Stage 2 Public Engagement of the Study held from May to July 2012, public opinion was collected in respect of the Recommended Outline Development Plan (“RODP”) for the Loop. The outcomes indicated that the majority of the public generally had no objection to the land uses proposed in the RODP.

5. Following the two stages of the Public Engagement, planning study and detailed technical assessments, both sides promulgated the information digest in July 2013 delivering the outcomes of the Public Engagement, and the final proposals of the revised Study¹. The Study was completed in full in end 2014. In October 2013, the Environment Impact Assessment Report for this designated project was approved by the Environmental Protection Department pursuant to the Environmental Impact Assessment Ordinance. The Environmental Permit was also granted in November 2013.

6. Both sides signed a Co-operation Agreement on the co-development of the Loop at the Hong Kong/Shenzhen Cooperation Meeting held on 25 November 2011. Both sides agreed to jointly develop the Loop according to the principle of “co-development and mutual benefit” under the big principle of “One Country, Two Systems”, and reached consensus and cooperation intent on the development positioning, applicable laws, etc. Meanwhile, both sides had yet to reach agreement on land ownership and mode of development, and further discussion was required. Subsequently, both sides further discussed the relevant matters about the Loop development, including land ownership and mode of development, through the Task Force and meetings between high level officials.

¹ The Government consulted the Legislative Council Panel on Development three times in the course of the Planning and Engineering Study on Development of Lok Ma Chau Loop: consultants’ fees on site investigation on 24 February 2009 (LC Paper No. CB(1)816/08-09(05)); Planning and Engineering Study on Development of Lok Ma Chau Loop – Preliminary Outline Development Plan and Stage One Public Engagement on 16 December 2010 (LC Paper No. CB(1)540/10-11(01)); and Planning and Engineering Study on Development of Lok Ma Chau Loop - Recommended Outline Development Plan (“RODP”) and Stage Two Public Engagement (“PE2”) on 22 May 2012 (LC Paper No. CB(1)1875/11-12(05)). The Government subsequently submitted to the LegCo Panel on Development on 22 July 2013 an Information Note (LC Paper No. CB(1)1581/12-13(01)) setting out the Planning and Engineering Study on Development of Lok Ma Chau Loop – PE2 Outcomes, RODP and follow-up actions.

INNOVATION AND TECHNOLOGY DEVELOPMENT IN HONG KONG AND SHENZHEN

7. The HKSAR Government is determined to developing innovation and technology (“I&T”) and set up the Innovation and Technology Bureau in November 2015 to formulate a series of initiatives to promote technological R&D, encouraging cooperation with institutions from the Mainland and overseas, promoting “re-industrialisation”, supporting start-ups, assisting small and medium enterprises upgrade and transform, etc., with a view to creating a vibrant I&T ecosystem for various stakeholders in the government, industry, academic and research sectors. Amongst these initiatives, “re-industrialisation” is a new growing point for Hong Kong’s economic development. With the advent of Internet of Things and smart production technologies, we are well-positioned to develop certain high value-added industries and achieve “re-industrialisation”. Fostering collaboration between the industrial sector and research institutions is the broad direction for Hong Kong’s industrial development in future.

8. With the efforts of various stakeholders, the local I&T atmosphere is gradually taking shape. A survey conducted by Invest Hong Kong in 2016 revealed that there were more than 1 900 start-ups engaging in various technology sectors and operating at different co-working space, or incubator and accelerator located across Hong Kong, representing an increase of 81% from 1 100 start-ups in 2014. The Massachusetts Institute of Technology of the United States and the Karolinska Institutet of Sweden respectively launched their first overseas Innovation Node and reparative medicine centre in Hong Kong last year. The Guangzhou Institutes of Biomedicine and Health under the Chinese Academy of Sciences announced last year the setting up of “Guangzhou Hong Kong Stem Cell and Regenerative Medicine Research Centre” in the Science Park. Several world-class venture capital funds also established investment platforms in Hong Kong last year. These developments demonstrate that Hong Kong’s I&T potential is recognised by institutions in the Mainland and worldwide.

9. In recent years, Shenzhen has made remarkable progress in the I&T arena. According to statistics published by the Shenzhen Municipal Government, the value-add of emerging industries of strategic importance in Shenzhen reached RMB 700 billion in 2015. Moreover, the innovation infrastructure in Shenzhen has been strengthening, with the completion and opening of major facilities such as the National Supercomputing Centre and the Daya Bay Neutrino Laboratory. As of 2015, there were around 5 500 national-level high technology enterprises in Shenzhen. Businesses of

many internationally renowned large-scale enterprises (such as Tencent, Huawei, DJI, etc.) have also expanded rapidly in the region.

10. Both sides have been fostering cooperation in developing I&T. The two places strengthened collaboration in scientific research by jointly funding R&D projects under the “Guangdong-Hong Kong Technology Cooperation Funding Scheme”. As at December 2016, the Hong Kong Innovation and Technology Fund (“ITF”) and relevant government authorities of Shenzhen have jointly funded over 60 projects, involving ITF funding of over \$150 million. Moreover, the Chinese University of Hong Kong, the Hong Kong University of Science and Technology, City University of Hong Kong, and the Hong Kong Polytechnic University established Industry, Academic and Research Bases in the High-Tech Zone of Nanshan District in Shenzhen in 2011. Subsequently, the University of Hong Kong and Hong Kong Baptist University also set up scientific research centres in Nanshan District.

MEMORANDUM OF UNDERSTANDING ON JOINTLY DEVELOPING THE LOK MA CHAU LOOP BY HONG KONG AND SHENZHEN

11. In view of the significant developments in the arena of I&T in both places, both sides, after discussions, agreed to jointly develop the Lok Ma Chau Loop into the Park to release the huge potential of the Loop and to complement with the I&T needs of both sides.

12. Both sides signed the MOU on 3 January 2017, agreeing to, under the “One Country, Two Systems” principle and in accordance with the Basic Law, abide by the following basic principles in developing the Loop, i.e. (1) applying the laws and land administration system of the HKSAR; (2) non-profit making principle; and (3) friendly negotiation principle.

13. The MOU resolves the differences between the two places regarding land ownership of the “cross-boundary” land after the realignment of the Shenzhen River. The Shenzhen side confirms that the HKSAR Government possesses in accordance with the law since 1 July 1997 the four sites (including the Loop) originally within the administrative boundary of Shenzhen (i.e. sites A1-A4 in **Annex B**). The Hong Kong side also confirms that the Shenzhen Municipal People’s Government possesses in accordance with the law since 1 July 1997 the five sites originally within the administrative boundary of the HKSAR (i.e. sites B1-B5 in **Annex B**). Besides, neither side is required to reimburse the other side any of the land resumption compensation previously and respectively paid for the said “cross-boundary” land. Both sides shall take the responsibility for tackling and settling any land ownership problems or

claims involving interests in their respective “cross-boundary” land arising before such land was included within the administrative boundary of the other side.

14. According to the MOU, the HKSAR Government will be responsible for constructing the necessary infrastructure within the Loop and its surrounding area (including site formation and infrastructural facilities), and will lease the formed land within the Loop to Hong Kong Science and Technology Parks Corporation (“HKSTPC”) by appropriate land disposal means for the development of the Park. HKSTPC will set up a wholly-owned subsidiary company (“subsidiary company”) which will be vested with the responsibility to build the superstructure of the Park, as well as to operate, maintain and manage the same. The development of the Park by HKSTPC is in line with its objectives (see paragraph 28) and is conducive to the interfacing with other technological infrastructure projects which are already under construction or planned by HKSTPC.

15. A key base for co-operation in scientific research will be established in the Park. Through liaising with top-tier enterprises, R&D institutions and higher education institutions in the Mainland and overseas, a base for co-operation in scientific research will be established for exchanging and co-operating with international research talents. Based on the scientific research and industries that Hong Kong currently possesses an edge, potential areas for development include robotics, biomedicine, smart city and Fintech. However, due to the rapid advancement of technology, the subsidiary company and relevant stakeholders will jointly explore I&T projects suitable for conducting in the Park with regard to the situation and needs of the latest economic developments at that time.

16. The MOU also states that an “Integrated Advanced Training Platform” will be set up in the Park through soliciting proposals from the world’s top higher education institutions (including higher education institutions in Hong Kong, the Mainland and overseas) for operating branches or new institutions in the Park. These branches or new institutions will be set up on a non-profit-making basis, and will focus on the provision of postgraduate programmes and professional training courses on new or advanced technology, aiming to nurture talents and engender synergy and clustering effects with the facilities in the Park. Relevant cultural and creative supporting facilities will also be provided to complement with the scientific projects and activities in the Park.

17. The Park will provide a maximum total gross floor areas (“GFA”) of 1.2 million square metres, for flexible allocation for higher education, R&D and cultural and creative uses where appropriate. Land will also be reserved for commercial, government and community supporting facilities.

18. We anticipate that some of those who will work or study in the Park in future will live in Shenzhen. These people will have to commute between Hong Kong and Shenzhen every day. Therefore, the MOU also states that the Hong Kong side has agreed to take effective measures to facilitate the exit and entry of mutually approved personnel of the Shenzhen side. Concrete details of the arrangements will be studied and discussed by the relevant departments of the two governments through the “Joint Task Force on the Development of the Hong Kong-Shenzhen Innovation and Technology Park” (see paragraph 23).

VISION

19. The site area of the Loop is four times that of the Hong Kong Science Park. The Park will be Hong Kong’s largest-ever I&T platform for convergence of top-notch international I&T talents. The Park is positioned to be a base for co-operation in scientific research involving top-tier enterprises, research institutions and higher education institutions, which can connect upstream and midstream research to downstream market, further enhancing the collaboration among the industry, academic and research sectors. High value-added processes including R&D, prototyping, product design and testing can be performed within the Park. With its geographical advantage, the Park can facilitate enterprises to leverage on Shenzhen’s strong production facilities for mass production and tap into the huge Mainland market, so as to expand their production scale and enhance their economic benefits.

20. The Park will complement other existing I&T institutions and facilities in Hong Kong, including the Hong Kong Science Park, Industrial Estates, InnoCentre, etc. The Hong Kong Science Park provides a variety of facilities and services for applied R&D activities, while the Industrial Estates provide land and facilities for production processes; and the InnoCentre provides office space, training and conference facilities for design companies. The geographical location of the Park enjoys strategic advantages which can facilitate complementary co-operation with Shenzhen. With a massive area, the Park has great potential not only in providing R&D offices for technology companies, but also, through the key base for co-operation in scientific research as well as relevant higher education, cultural and creative and other complementary facilities, taking the co-operation among the industry, academic and research sectors to another level.

21. According to the economic impact analysis conducted by a consultant engaged by HKSTPC in 2015, upon completion of Stage 1 of the Hong Kong Science Park Expansion Programme, the GFA of the Science Park will reach 400 000 square metres, and the overall economic contribution to Hong Kong will reach \$19 billion, creating about 17 000 jobs inside the park. With a GFA about three times that of the Hong Kong Science Park, our rough estimation, without taking into account inflation and other factors, is that the Park will contribute about \$57 billion annually to Hong Kong's economy and create around 50 000 jobs inside the Park.

22. In addition, Shenzhen is planning to develop a site of about three square kilometres on the north side of Shenzhen River and adjacent to the Loop into a "Shenzhen Innovation and Technology Zone" which, in conjunction with the Park, can collectively form a "Shenzhen-Hong Kong Innovation and Technology Co-operation Zone". This will complement the strengths of both places and realise the huge synergy effects.

LATEST DEVELOPMENTS

23. To take forward the relevant work, both sides have established the "Joint Task Force on the Development of the Hong Kong-Shenzhen Innovation and Technology Park" ("Joint Task Force") and held the first meeting on 9 February 2017 in Shenzhen. Co-chaired by the Secretary for Innovation and Technology and the Vice Mayor of Shenzhen Municipality, the Joint Task Force conducts discussions and consultations on major issues relating to the Park in the Loop. The terms of reference and membership list of the Joint Task Force are set out at **Annex C**.

24. The Joint Task Force discussed the work plan for developing the Park at the meeting. In respect of the infrastructure works and planning, the Civil Engineering and Development Department engaged a consultant in mid-2014 to proceed with the detailed design of the Advance Works in accordance with the proposals made in the Study of the Loop, with a view to preparing for the site formation and infrastructure work of the Main Works Package 1². Meanwhile, preparation of the Outline Zoning Plan ("OZP") for the Lok Ma Chau Loop is underway. We expect that the Town Planning

² Advance Works mainly comprises: (a) land decontamination treatment within the Loop; (b) establishment of an Ecological Area and associated site formation works; and (c) provision of construction access to the Loop. Main Works Package 1 mainly comprises: (a) site formation and local infrastructure works at western part of the Loop including roads, drains, waterworks, landscaping & tree planting, and phase 1 sewage treatment works; (b) Western Connection Road, Direct Link to MTR Lok Ma Chau Station, Kwu Tung North fresh water service reservoir and water mains outside the Loop; (c) off-site ecological and environmental mitigation measures; and (d) treatment of river sediments in Shenzhen River near the Loop.

Board will promulgate the draft OZP in the second quarter of 2017. Statutory procedures of the road work for the Advance Works, including public consultation, gazettal, etc., will be handled in parallel.

25. According to the MOU, as important stakeholders of the Loop development, both sides will, through the Joint Task Force, put forward to the HKSAR Government nominations for the Board of Directors of the subsidiary company for appointment by the HKSTPC in accordance with the relevant legislation of the HKSAR. The Joint Task Force confirmed the composition and decision-making process of the Board of Directors of the subsidiary company at its first meeting. Both sides agreed that there would be ten directors on the Board, four of which (including the Chairman) would be nominated by Hong Kong side, three by the Shenzhen side, and the remaining three would be jointly nominated by both sides, mainly comprising personnel from local and overseas top-notch research institutions, enterprises and universities. All matters for determination shall be decided by a majority of votes of the members present and in the event of an equality of votes, the Chairman shall have a casting vote in addition to his original vote. The subsidiary company shall also report to the Joint Task Force on the development of the Park.

NEXT STEP

26. To take forward the construction of the Park as soon as possible, the Government wishes to submit the funding application for the Advance Works and the detailed design of Main Works Package 1 to the Legislative Council in end 2017/early 2018 at the earliest. Tender invitation for the Advance Works and preparatory works of the consultant selection for the Main Works Package 1 will be handled simultaneously.

27. In parallel, HKSTPC will commence its preparatory work, including: (1) preparing for the setting up of the subsidiary company in the middle of this year; (2) engaging consultants to study the positioning and mode of operation of the Park, as well as the institutional set-up and requisite staff of the subsidiary company; and (3) setting up a professional team responsible for superstructure planning and connecting with relevant departments of the HKSAR Government.

HONG KONG SCIENCE AND TECHNOLOGY PARKS CORPORATION

28. HKSTPC is a statutory body set up by the Government in 2001 with the objective to establish or develop premises in support of technology-based companies and activities; to facilitate R&D and application of technologies in Hong Kong; and to support the development, transfer and use of new or advanced technologies in Hong Kong. The HKSAR Government is the sole shareholder of HKSTPC, and appoints a Board of Directors to oversee the work of the Corporation. HKSTPC operates and manages the Science Park, three Industrial Estates at Tai Po, Yuen Long and Tseung Kwan O as well as the InnoCentre at Kowloon Tong.

29. On R&D and commercialisation, HKSTPC provides various facilities and services in the Science Park for businesses that focus on R&D, and has recently set up three overarching cross-disciplinary platforms, namely healthy ageing, robotics and smart city, to facilitate integration of technologies in innovative products. The Science Park currently houses over 630 technology companies which employ about 12 000 people. HKSTPC is now expanding the Science Park, and its GFA is expected to increase to approximately 400 000 square metres upon completion of construction works in 2020, creating a greater clustering effect. On downstream production, HKSTPC is preparing to build an Advanced Manufacturing Centre (“AMC”) and a Data Technology Hub (“DT Hub”) in the Tseung Kwan O Industrial Estate in order to promote smart production, attract high value-added technology industries and manufacturing processes. The two projects will provide a GFA of 108 600 square metres and 27 000 square metres respectively. HKSTPC expects that the DT Hub would be completed in 2020 and the AMC in 2021/22.

ADVICE SOUGHT

30. Members are invited to note the content of this paper and provide their views on the development plans of the Park.

Innovation and Technology Bureau
Development Bureau
Education Bureau
Commerce and Economic Development Bureau
Security Bureau
March 2017

(English translation)

**Memorandum of Understanding on Jointly Developing
the Lok Ma Chau Loop by Hong Kong and Shenzhen
between the Hong Kong Special Administrative Region Government
and the Shenzhen Municipal People's Government**

Introduction

In order to establish a “Hong Kong-Shenzhen Innovation and Technology Park” (“the Park”) in the Lok Ma Chau Loop (“the Loop”), the Hong Kong Special Administrative Region (“HKSAR”) Government and Shenzhen Municipal People's Government (“both sides”) have agreed to jointly develop the Loop (actual location shown in the attached **Plan 1**). This Memorandum of Understanding (“the MOU”) is signed by both sides, following friendly negotiations.

Background

In accordance with Order No. 221 of the State Council of the People's Republic of China promulgated on 1 July 1997 (the “State Council Order No. 221”), after the training of the Shenzhen River, the boundary will follow the new centre line of the river. The Loop, originally within the administrative boundary of Shenzhen, has since been included within the administrative boundary of the HKSAR.

On 25 November 2011, both sides signed the Co-operation Agreement on Jointly Taking Forward the Development of the Lok Ma Chau Loop (“the Co-operation Agreement”). Out of respect for the above historical fact, both sides have agreed to co-operate in taking forward the Loop's development under the “One Country, Two Systems” principle, and in accordance with the laws of the HKSAR, as well as following the principle of “co-development and mutual benefit”.

Both sides subsequently conducted proactive negotiations in accordance with the Co-operation Agreement and reached a consensus to jointly develop the Loop into the Park, construct relevant higher education and complementary facilities in the Park and formulate this MOU. In response to the major developments in innovation and technology in Hong Kong and Shenzhen in recent years and the huge synergy effect generated by each side complementing the other with their

relative strengths, both sides have agreed that, apart from jointly developing the Park, the Hong Kong side would also support the Shenzhen side to develop technological innovations at the north side of Shenzhen River and jointly establish the “Shenzhen/Hong Kong Innovation and Technology Co-operation Zone”.

Article I Basic Principles

Both sides have agreed, on the premise of achieving complementarity between Hong Kong and Shenzhen, to jointly develop the Loop into the Park under the “One Country, Two Systems” principle and in accordance with the Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China. Both sides have also confirmed that they will abide by the following basic principles:

- (a) applying the laws and land administration system of the HKSAR: the use and management of the land in the Loop (including but not limited to planning, leasing, allocation of leasing revenue, transfer and renewal), as well as the construction, operations, maintenance and management of the project will follow the law and land administration system of the HKSAR;
- (b) non-profit making principle: the development project in the Loop will primarily be used for benefit of the public, with all income from the project to be used in the construction, operations, maintenance and management of the Loop. No profit will be disbursed to either side; and
- (c) friendly negotiation principle: both sides will jointly handle matters relating to the development of the Loop in the spirit of consultation and mutual benefit, and take forward the Loop’s development on the premise of mutual understanding. Disagreements will be resolved through mutual and friendly negotiations.

Article II Land Ownership

- (a) In accordance with the State Council Order No. 221 promulgated on 1 July 1997, after the training of the Shenzhen River, the boundary will follow the new centre line of the river. Regarding the “cross-boundary” land after the realignment of the Shenzhen River, the four sites originally within the administrative boundary

of Shenzhen (i.e. sites A1 (i.e. the Loop), A2, A3 and A4 in the attached **Plan 2**) with an area of around 91 hectares, have since been included within the administrative boundary of the HKSAR. On the other hand, the 5 sites originally within the administrative boundary of the HKSAR (i.e. sites B1, B2, B3, B4 and B5 in the attached **Plan 2**) with an area of around 12 hectares, have since been included within the administrative boundary of Shenzhen.

- (b) The Shenzhen side confirms that the HKSAR Government possesses in accordance with the law since 1 July 1997 the land ownership of sites A1 (i.e. the Loop), A2, A3 and A4 in the attached **Plan 2**. Likewise, the Hong Kong side confirms that the Shenzhen Municipal People's Government possesses in accordance with the law since 1 July 1997 the land ownership of sites B1, B2, B3 and B4 in the attached **Plan 2**.
- (c) Neither side is required to reimburse the other side for any of the land resumption compensation previously and respectively paid for the said "cross-boundary" land. To ensure that the "cross-boundary" land is not encumbered by land ownership problems in future land grants, each side shall take the responsibility for tackling and settling any land ownership problems or claims involving interests in their respective "cross-boundary" land arising before such land was included within the administrative boundary of the other side.

Article III Scope and Specifics of Cooperation

- (a) Both sides have agreed to jointly develop the Loop into the Park and establish a key base for co-operation in scientific research, through liaising with top-tier enterprises, research and development institutions as well as higher education institutions in the Mainland and overseas in establishing a base for co-operation in scientific research, exchanging and co-operating with excellent quality research talents from all over the world.
- (b) Both sides have also agreed to develop relevant and complementary facilities in the Park, including the setting up of an "integrated advanced training platform" through soliciting proposals from the world's top higher education institutions (including higher education institutions in Hong Kong and in the Mainland, as well as those overseas) for operating branches of existing or new

institutions in the Park. These branches or new institutions will be set up on a non-profit-making basis, and will focus on the provision of postgraduate programmes and professional training courses on new or advanced technology, aiming to nurture talents and engender synergy and clustering effects with the facilities in the Park. Related cultural and creative, commercial, community and other supporting facilities will also be provided in the Park.

- (c) The Hong Kong side has agreed to take effective measures to facilitate the exit and entry of mutually approved personnel of the Shenzhen side.

Article IV Development Mechanism

- (a) The HKSAR Government will be responsible for the construction of the infrastructure within the Loop (including site formation and infrastructural facilities) and the provision of supporting infrastructural facilities outside the Loop which are necessary to the development of the Loop and its surrounding areas.
- (b) The HKSAR Government will lease the formed land within the Loop to the Hong Kong Science and Technology Parks Corporation by appropriate land disposal means for the development of the Park.
- (c) The Hong Kong Science and Technology Parks Corporation will set up a wholly-owned subsidiary company (“the subsidiary company”) which will be vested with the responsibility to build the superstructure of the Park, as well as to operate, maintain and manage the same. The Board of Directors of the subsidiary company will be appointed by the Hong Kong Science and Technology Parks Corporation in accordance with the relevant legislation of the HKSAR. As important stakeholders of the Loop development, both sides will, through the “Joint Task Force on the Development of the Hong Kong/Shenzhen Innovation and Technology Park in the Loop” established in accordance with Article V(a) below, put forward to the HKSAR Government nominations for the Board of Directors of the subsidiary company for appointment by the Hong Kong Science and Technology Parks Corporation, thereby jointly participating in the development of the Park, including but not limited to the leasing of land or housing for scientific research facilities, the “integrated advanced training platform” and other support facilities.

Article V Joint Implementation and Dispute Resolution Mechanisms

- (a) The “Joint Task Force on the Development of the Hong Kong/Shenzhen Innovation and Technology Park in the Loop” (“the Joint Task Force”), comprising the relevant authorities and personnel from both sides, shall be responsible for studying and negotiating major issues arising from the development of the Loop.
- (b) The subsidiary company set up by the Hong Kong Science and Technology Parks Corporation in accordance with Article IV(c) above shall report to the Joint Task Force on the development of the Park regularly.
- (c) Any differences or disputes arising from the implementation of this MOU shall be submitted by the Joint Task Force to the Hong Kong/Shenzhen Co-operation Meeting for resolution in accordance with the laws of the HKSAR and the basic principles stipulated in Article I above.

Article VI Jointly Establishing the Shenzhen/Hong Kong Innovation and Technology Co-operation Zone

- (a) Both sides have agreed to, upon signing of this MOU, jointly promote the Park to be established in the Loop for the purpose of attracting the stationing of enterprises, research and development institutions and higher education institutions from Hong Kong, Shenzhen and overseas, and promoting the development of the Park.
- (b) The Shenzhen side is planning to develop an area of about three square kilometres at the north side of Shenzhen River and adjacent to the Loop into a “Shenzhen Innovation and Technology Zone”. Both sides have agreed to obtain policy support from the State to push forward the development of the “Shenzhen Innovation and Technology Zone” and the Park, in an effort to establish a cohesive and synergistic “Shenzhen/Hong Kong Innovation and Technology Co-operation Zone”.

Article VII Signing and Commencement

- (a) This MOU shall take effect upon its signing by the representatives of both sides.
- (b) This MOU is in quadruplicate (two in Traditional Chinese script and two in Simplified Chinese script) with all copies being equally authentic. The HKSAR Government and the Shenzhen Municipal People's Government shall keep one copy of each of the Traditional Chinese and Simplified Chinese versions.

Article VIII Supplementary Agreement Intention

The specific arrangements for the joint development of the Loop into the Park and the matters not covered by this MOU shall continue to be studied and discussed by both sides through friendly negotiations. Supplementary memoranda may be signed as and when required.

The Government of the Hong Kong
Special Administrative Region

The Shenzhen Municipal People's
Government

Carrie Lam,
Chief Secretary for Administration

Ai Xuefeng,
Vice Mayor

3 January 2017



福田
FUTIAN

羅 LUOI Plan 1

Shenzhen Special Economic Zone

Shenzhen River

文錦渡口岸
Wenjindu Port

羅湖口岸
Luohu Port

深圳河

Lok Ma Chau Loop

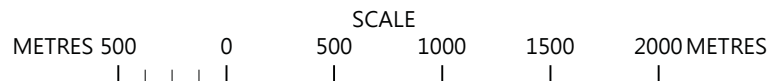
Lo Wu

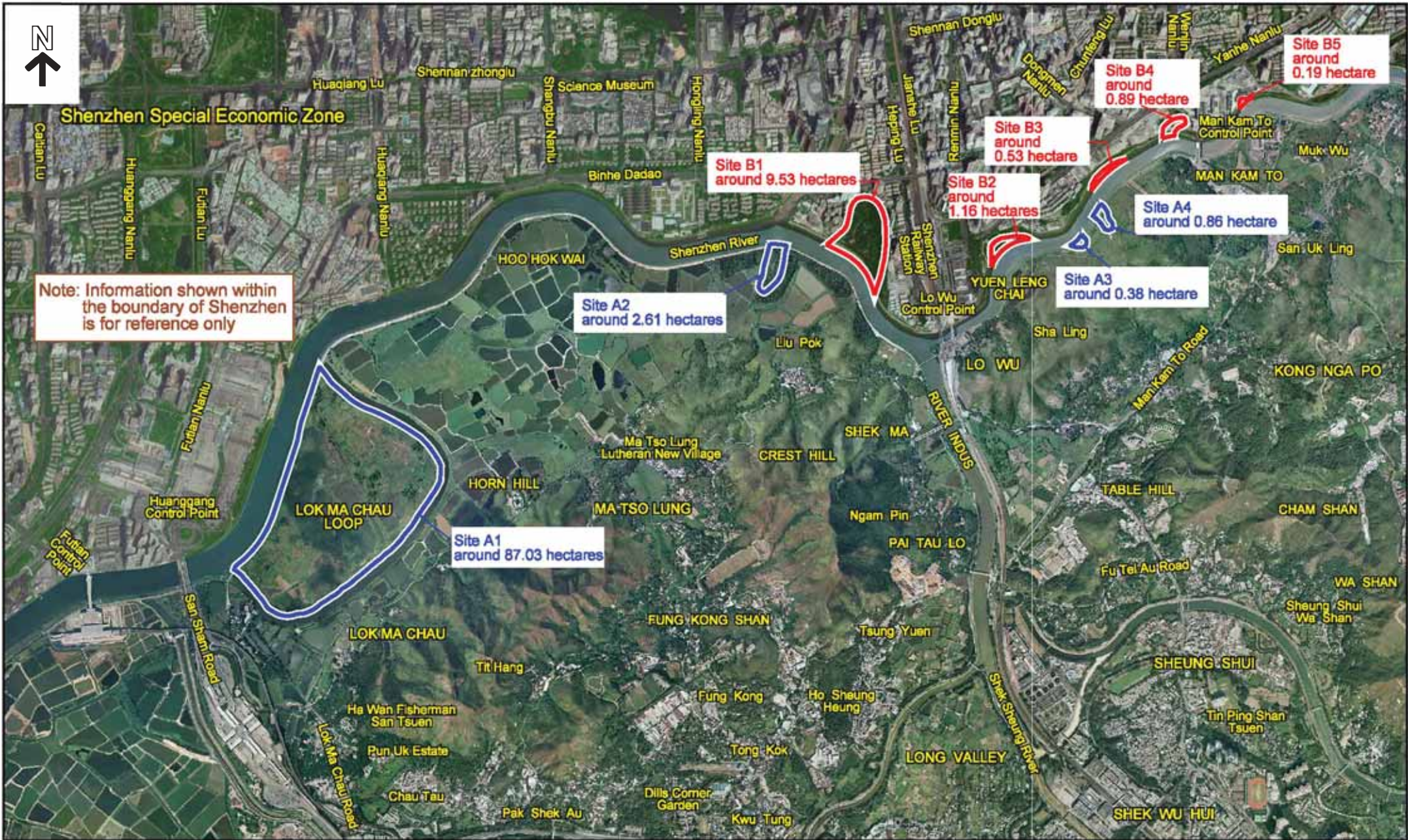
皇崗口岸
Huanggang Port
福田口岸
Futian Port

Ma Tso Lung

Hong Kong Special Administrative Region

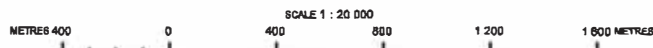
Location Plan of Lok Ma Chau Loop

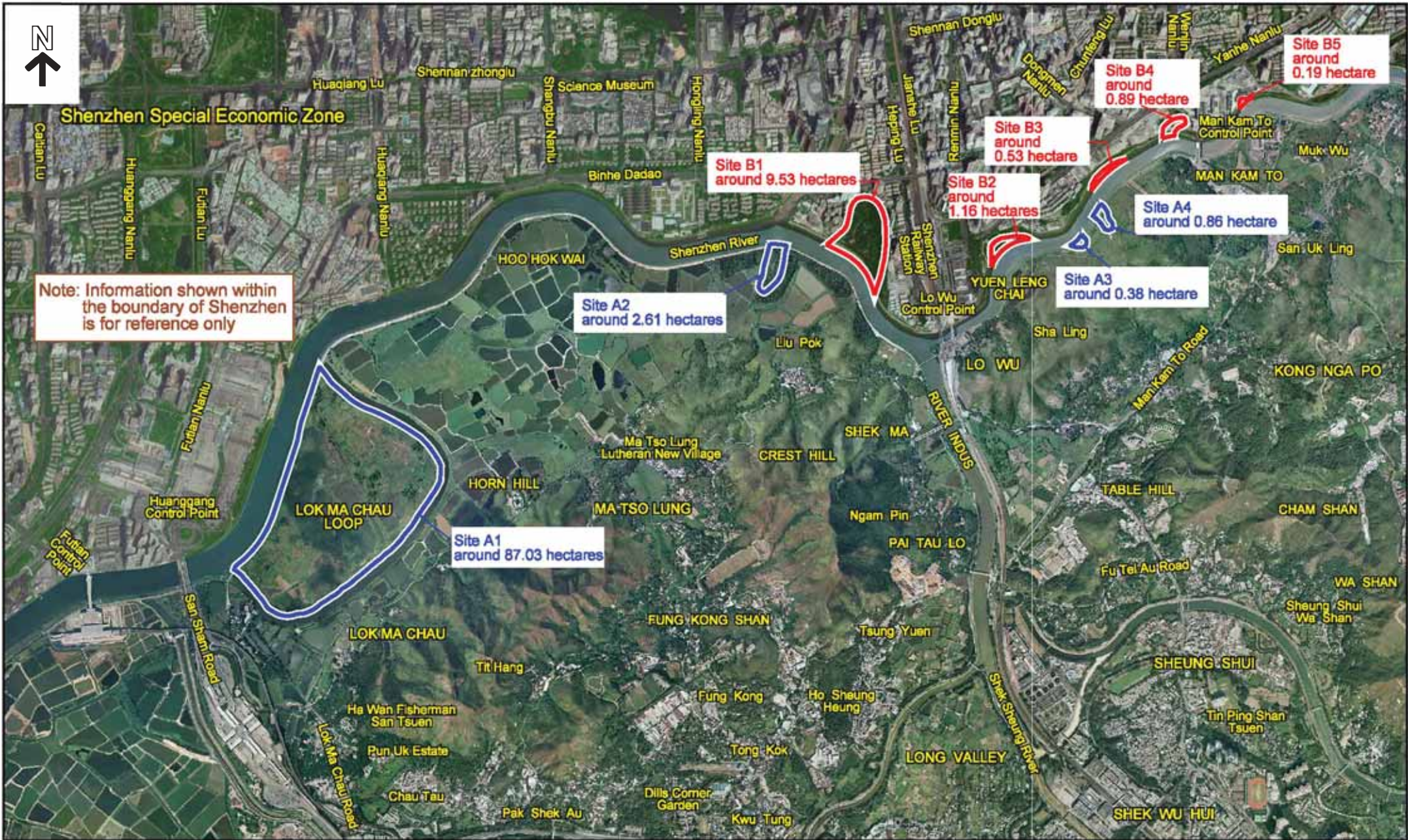




The location of the sites is as shown in the attached plan of the "Letter of Intent on the Use of Cross-boundary Land upon Training of Shenzhen River" (signed on 27 April 2009), and is for reference only (the detailed boundary and size of the sites shall be verified by field survey).

Location Plan of Cross-boundary Land after Training of Shenzhen River





The location of the sites is as shown in the attached plan of the "Letter of Intent on the Use of Cross-boundary Land upon Training of Shenzhen River" (signed on 27 April 2009), and is for reference only (the detailed boundary and size of the sites shall be verified by field survey).

Location Plan of Cross-boundary Land after Training of Shenzhen River



(English translation)

**Joint Task Force on the Development of the
Hong Kong-Shenzhen Innovation and Technology Park in the Loop**

Terms of reference

According to the “Memorandum of Understanding on Jointly Developing the Lok Ma Chau Loop by Hong Kong and Shenzhen” signed between Hong Kong and Shenzhen –

1. To conduct discussions and consultations on major issues relating to the development of the Hong Kong-Shenzhen Innovation and Technology Park in the Loop. Major issues include but are not limited to: provision of infrastructure, development of superstructure, operation policy of the Park, how to make use of the national policy in innovation and technology development, global promotion strategy, and positive interaction and cooperation with the “Shenzhen Innovation and Technology Zone”;
2. To oversee and monitor the development progress of the Hong Kong-Shenzhen Innovation and Technology Park;
3. To provide views to the subsidiary company set up by the Hong Kong Science and Technology Parks Corporation (the “subsidiary company”) on the operation of the Hong Kong-Shenzhen Innovation and Technology Park; and
4. To make nominations of members of the Board of Directors of the subsidiary company to the Government of the Hong Kong Special Administration Region.

Mode of operations

1. In general, meetings will be held every six months to discuss issues relating to the development of the Hong Kong-Shenzhen Innovation and Technology Park. If necessary, additional meetings and/or separate meetings may be held to discuss individual topics; and
2. Report will be made to the Hong Kong/Shenzhen Cooperation Meeting on the development progress of the Hong Kong-Shenzhen Innovation and Technology Park on a yearly basis.

Members

The Government of the Hong Kong Special Administrative Region	Shenzhen Municipal People's Government
<p><i>Leader:</i> Secretary for Innovation and Technology</p>	<p><i>Leader:</i> Vice Mayor</p>
<p><i>Deputy Leader:</i> Permanent Secretary for Innovation and Technology</p>	<p><i>Deputy Leader:</i> Director-General of the Hong Kong and Macao Affairs Office</p>
<p><i>Members:</i></p> <ul style="list-style-type: none"> • Development Bureau • Constitutional and Mainland Affairs Bureau • Education Bureau • Commerce and Economic Development Bureau • Innovation and Technology Commission • Civil Engineering and Development Department <p>Other bureaux and departments to attend on need basis</p>	<p><i>Members:</i></p> <ul style="list-style-type: none"> • Hong Kong and Macao Affairs Office • Development and Reform Commission • Economy, Trade and Information Commission • Urban Planning, Land & Resources Commission • Science and Technology Innovation Commission • Bureau of Education • Legislative Affairs Office • Futian District Government <p>Other departments to attend on need basis</p>
<p><i>Office:</i> Innovation and Technology Bureau</p>	<p><i>Office:</i> Hong Kong and Macao Affairs Office</p>