Panel on Commerce and Industry

Meeting on 16 January 2018

Updated background brief on the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop

Purpose

This paper provides updated background information on the Hong Kong-Shenzhen Innovation and Technology Park ("the Park") in the Lok Ma Chau Loop ("the Loop"). This paper also summarizes the views and concerns expressed by Members on the subject matter in previous discussions.

Background

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 Hong Kong Special Administrative Region ("HKSAR").

3. The Loop development was one of the ten major infrastructure projects in the 2007-2008 Policy Address. The Hong Kong-Shenzhen Joint Task Force on Boundary District Development ("the Task Force") was set up in 2007 to co-ordinate, liaise and steer work on the studies in relation to the planning and development of land in the boundary district. In March 2008, the Task Force under the "Hong Kong/Shenzhen Cooperation Meeting" agreed that both Hong Kong and Shenzhen sides would conduct a joint comprehensive study on the development of the Loop under the principle of "co-study and co-development".
Planning and Engineering Study on Development of the Lok Ma Chau Loop

4. In June 2009, the Planning and Engineering Study on Development of the Loop ("the Study") was jointly commissioned by the Planning Department ("PlanD") and Civil Engineering and Development Department ("CEDD") with participation from Shenzhen to formulate a land use planning framework to guide the development of the Loop and develop a sustainable, environmentally friendly, energy-saving and people-oriented community on the basis of mutual benefit to both Hong Kong and Shenzhen.

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 Study, including the confirmed Recommended Outline Development Plan ("the RODP") of the Loop. The three major land uses set out in the RODP were education, high-tech research and development ("R&D")/cultural and creative ("C&C") industries and commercial. The Study was completed in full in end-2014.

6. In October 2013, the Environmental Impact Assessment Report of the Loop development was approved by the Environmental Protection Department pursuant to the Environmental Impact Assessment Ordinance (Cap. 499), and the Environmental Permit was granted in November 2013. CEDD commenced the detailed design of the advance works of environmental and ecological protection and connecting roads in mid-2014.

Development of the Hong Kong-Shenzhen Innovation and Technology Park

7. In view of the significant developments in the arena of innovation and technology ("I&T") in Hong Kong and Shenzhen, both sides, after discussions, agreed to jointly develop the Loop into the Park to release the huge potential of the Loop and to complement with the I&T needs of both sides.

Memorandum of Understanding on Jointly Developing the Lok Ma Chau Loop by Hong Kong and Shenzhen

8. On 3 January 2017, the HKSAR Government and the Shenzhen Municipal People’s Government signed the Memorandum of Understanding on Jointly Developing the Lok Ma Chau Loop by Hong Kong and Shenzhen ("the MOU"), agreeing to jointly develop the Loop into the Park, setting up a key base for scientific research, as well as relevant higher education, C&C
and other complementary facilities in the Park.

9. 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.

10. According to the Administration, 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.

11. Pursuant to the MOU, both sides agreed 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 HKSAR; (2) non-profit making principle; and (3) friendly negotiation principle. A copy of the MOU is in Appendix I.

Land ownership

12. The MOU resolves the differences between the two places regarding land ownership of the "cross-boundary" land after the realignment of the Shenzhen River. 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.

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

13. The MOU states that 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

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1 The Shenzhen side confirms that the Hong Kong Special Administrative Region ("HKSAR") Government possesses in accordance with the law since 1 July 1997 the four sites (including the Lok Ma Chau Loop) originally within the administrative boundary of Shenzhen. 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 HKSAR.
both sides, shall be responsible for studying and negotiating major issues arising from the development of the Loop. The terms of reference, mode of operations and membership list of the Joint Task Force is in Appendix II.

14. Since the signing of the MOU, the Joint Task Force had held two meetings. The first meeting was held in Shenzhen on 9 February 2017,\(^2\) and the second meeting was held in Hong Kong on 12 September 2017. At the second meeting, the Joint Task Force reviewed the work progress for the previous six months. Both sides discussed and endorsed the articles of association and proposed nominations to the Board of Directors ("the Board") for the subsidiary company to be set up by the Hong Kong Science and Technology Parks Corporation ("HKSTPC") according to the MOU.

The subsidiary company

15. 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 HKSTPC by appropriate land disposal means for the development of the Park. HKSTPC will set up a wholly-owned 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.

16. The Joint Task Force confirmed the composition and decision-making process of the Board of the subsidiary company at its first meeting. Both sides agreed that there would be 10 directors on the Board, four of which (including the Chairman) would be nominated by the 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 (i.e. the 4-3-3 ratio for the appointment of the Board). 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.

\(^2\) At the first meeting of the Joint Task Force on the Development of the Hong Kong-Shenzhen Innovation and Technology Park in the Loop ("the Joint Task Force"), the Hong Kong and Shenzhen sides endorsed the terms of reference, operation and composition of the Joint Task Force in accordance with the Memorandum of Understanding on Jointly Developing the Lok Ma Chau Loop by Hong Kong and Shenzhen and discussed the work plan for taking forward the development of the Hong Kong-Shenzhen Innovation and Technology Park ("the Park"). Both sides also confirmed the composition and decision-making process of the subsidiary company to be set up by the Hong Kong Science and Technology Parks Corporation. The subsidiary company would be vested with the responsibility to build the superstructure, as well as to operate, maintain and manage the Park.
The subsidiary company shall also report to the Joint Task Force on the development of the Park.

17. HKSTPC announced the incorporation of the subsidiary company on 6 October 2017. Appointed by HKSTPC, the Board comprises 10 members with diverse background and extensive experience in academia, public services or business sector.\(^3\)

**Other measures**

18. 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.

19. According to the Administration, it is anticipated 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 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.

**Previous discussions**

20. The Administration briefed the Panel on Commerce and Industry ("the Panel") on the proposal and progress of developing the Park at its policy briefing-cum-meetings on 25 January and 17 October 2017 respectively. A joint meeting of the Panel, Panel on Development and Panel on Information Technology and Broadcasting was also held on 6 March 2017 to discuss the project and related work of the Park with the Administration. The major views and concerns of members are summarized in the ensuing paragraphs.

**Composition of the Board of Directors of the subsidiary company**

21. At the joint meeting, some members noted the 4-3-3 ratio for the appointment of the Board of the subsidiary company and expressed concern

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\(^3\) Members of the Board of Directors include: Permanent Secretary for Innovation and Technology (Chairperson), Professor CHAI Yat-chiu Johnny (alias CHAI, John Yat-chiu) (Member), Mr CHOI Chor-ching (Member), Mr FAN Jianping (Member), Professor LI Zexiang (Member), Mr MENG Jianmin (Member), Professor TSUI Lap-chee (Member), Mr WANG Yuwen (Member), Mr WONG Wing-hoo Billy (Member), and Professor WU Yundong (Member).
that should all three jointly nominated directors be filled by Shenzhen personnel, Hong Kong might lose its leading role in the subsidiary company.

22. The Administration responded that as the nominations of the three directors to be jointly made by both sides would be finalized through friendly negotiations, it would be highly unlikely that the directorship of the subsidiary company be taken up by persons only trusted by the Shenzhen side but not accepted by the Hong Kong side. The interests of Hong Kong would be safeguarded through the power of appointment.

23. Some members enquired about the procedure for the nomination and termination of appointment of the Board of the subsidiary company at the joint meeting. The Administration pointed out that as set out in the MOU, nominations for the Board of the subsidiary company would be made by the Joint Task Force via the HKSAR Government for appointment by HKSTPC. The HKSAR Government, through HKSTPC, not only had the power of appointment of directors of the Board, but also the power of terminating the appointment.

24. As regards some members' enquiry about the monitoring of the subsidiary company made at the joint meeting, the Administration said that with all the directors of the Board of the subsidiary company appointed by HKSTPC, the subsidiary company would report to HKSTPC and the Joint Task Force on the development of the Park. In addition, as a statutory corporation wholly-owned by the Government, HKSTPC would table its annual reports to the Legislative Council ("LegCo"). Furthermore, LegCo would consider the Administration's funding proposals for HKSTPC. The Administration would also report to the Panel on the latest update of the work of HKSTPC.

Mode of management and operation

25. Noting that the positioning and mode of operation of the Park, including the means of sub-leasing the land or offices, had yet to be determined, some members questioned at the joint meeting whether HKSTPC might exercise its authority, as permitted under the relevant provisions of the Hong Kong Science and Technology Parks Corporation Ordinance (Cap. 565), via the subsidiary company it would wholly own, to sell the land or offices in the Park for profits. Other members requested the Administration to provide a written confirmation that the land in the Loop would only be put up for rent to tenants of the Park rather than for sale.

26. The Administration said that the HKSAR Government would grant the formed land within the Loop to HKSTPC by appropriate land disposal
means for the development of the Park. The premises in the Loop including the offices and laboratories therein would be rented to the tenants, similar to the business model of the Hong Kong Science Park. Subsequent to the meeting, the Administration advised vide LC Paper No. CB(1)886/16-17(01) issued on 26 April 2017 that the completed buildings would be leased to suitable tenants (including technology enterprises, R&D institutions and higher education institutions, etc.) and would not be put up for sale.

Land use planning

27. At the policy briefing-cum-meeting on 25 January 2017, some members enquired about the proportion of land at the Loop under the proposed project of the Park that would be used for the development of C&C industries. Other members asked whether the development of convention and exhibition ("C&E") facilities and hotels would be incorporated under the project.

28. The Administration advised that the Park would be developed with I&T as the main focus, relevant higher education, as well as C&C industry would be provided. Other complementary facilities, such as C&E facilities and accommodation for talents working in the Park would be considered for inclusion in the development.

29. Members also raised questions about the land use planning at the joint meeting. Noting that under the RODP of the Loop, the maximum Gross Floor Area for commercial use would be 60 000 square metre ("sq m"), some members enquired about the details of the commercial use. The Administration advised that the 60 000 sq m of commercial land use would mainly comprise restaurants and shopping arcades for use by tenants of the Park.

30. Noting that under the RODP, 22.8 hectares of the land in the Loop would be allocated for the development of higher education, some members enquired about the role of Hong Kong's universities in the development of the Loop. On this, the Administration said that proposals would be invited from the top-notch higher education institutions in Hong Kong, the Mainland and overseas for operating branches or new institutions in the Park. These branches or new institutions would be set up on a non-profit-making basis, and would focus on programmes and training courses on new or advanced technology, aiming at nurturing talents and engendering synergy and cluster effects with the facilities in the Park.

Development schedule and costs

31. In response to some members' enquiry at the joint meeting on the
funding support to be provided by the HKSAR Government to HKSTPC, the Administration said that it would provide appropriate funding support to HKSTPC and require HKSTPC to be prudent on the control of the overall project cost. After HKSTPC had put up the related budget proposal, the Administration would submit the specific financing arrangement to LegCo for consideration. The Administration further said that funding support might take the form of direct equity injection, loan financing or loan guarantee as appropriate, having regard to factors such as development progress and cash flow situation.

32. Some members also enquired about the development schedule of the Loop at the same meeting. The Administration responded that the first piece of formed land would be handed over to HKSTPC by 2021 at the earliest.

Exit and entry arrangements

33. At the joint meeting, some members noted that under the MOU, the Hong Kong side had agreed to take effective measures to facilitate the exit and entry of mutually approved personnel of the Shenzhen side, and asked about the details of such measures.

34. The Administration said that measures would be designed to facilitate those who would work or study in the Park but live in Shenzhen to commute daily between Hong Kong and Shenzhen. Concrete details would be discussed by the relevant departments of both sides through the Joint Task Force.

35. Some other members opined at the same meeting that the Administration should safeguard the employment opportunities of local talents in the Park, and should not let the Park be used as a backdoor for employment or immigration to the HKSAR by Mainland residents.

36. In response, the Administration explained that under the current immigration policy, a company intending to employ a Mainland resident to work in Hong Kong should apply under the Admission Scheme for Mainland Talents and Professionals on an individual basis. The Mainland talents and professionals should possess special skills and knowledge or experience of value to and not readily available locally. The remuneration package offered to Mainland talents should commensurate with the prevailing market level for professionals in the relevant field in the HKSAR to ensure that the employment opportunities of local talents would not be compromised.
Council questions

37. At the Council meeting of 1 November 2017, Ir Dr LO Wai-kwok asked an oral question on the measures to boost I&T development and enquired, among other things, whether the Government has drawn up specific work plans and timetables regarding the implementation of the measures to develop the Park.

38. The Administration replied that it was working on the development of the Park at full steam. HKSTPC established a wholly-owned subsidiary company named Hong Kong-Shenzhen Innovation and Technology Park Limited, which is vested with the responsibilities to build, operate, maintain and manage the Park, in October 2017. In addition, PlanD was consolidating the representations and comments made by the public and relevant organizations on the draft Lok Ma Chau Loop Outline Zoning Plan and would submit them to the Town Planning Board for consideration on 17 November 2017. Moreover, statutory procedures of the road work for the Advance Works had been completed, and preparation work for the Main Works Package 1 was underway.

39. Upon completion of the detailed design of the Advance Works, the Administration would seek funding from LegCo for the construction of the advance works and the detailed design of the Main Works Package 1 in the first half of 2018. Should the project funding be approved by LegCo, the advance works could be commenced thereafter. The Administration would strive to provide the first developable land to Hong Kong and Shenzhen Innovation and Technology Park Limited by 2021 to commence building works.

Latest position

40. The Administration will seek the Panel's support for the funding proposal for construction of the advance works and detailed design of Main Works Package 1 for the development of the Loop.

Relevant papers

41. A list of relevant papers is set out in the Appendix III.
Appendix I

(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
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).
Appendix II

(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

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<th>Shenzhen Municipal People’s Government</th>
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Administration's paper on "2017 Policy Address - Policy initiatives of Constitutional and Mainland Affairs Bureau in relation to Mainland co-operation and Taiwan affairs" *(LC Paper No. CB(1)464/16-17(04))*  
Administration's paper on "2017 Policy Address - Policy initiatives of Innovation and Technology Bureau" *(LC Paper No. CB(1)464/16-17(05))*  
Minutes of meeting *(LC Paper No. CB(1)678/16-17)* |
| 6/3/2017       | Panel on Commerce and Industry | Administration's paper on "Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop" *(LC Paper No. CB(1)624/16-17(01))*  
Written questions raised by members *(LC Paper No. CB(1)584/16-17(01))*  
Administration's response to written questions raised by members *(LC Paper No. CB(1)624/16-17(02))* |
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<td>Background brief on the Hong Kong/Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop prepared by the Legislative Council Secretariat (LC Paper No. CB(1)624/16-17(03)) Minutes of meeting (LC Paper No. CB(1)1366/16-17)</td>
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<td>17/10/2017</td>
<td>Panel on Commerce and Industry</td>
<td>Administration's paper on &quot;Hong Kong/Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop&quot; (Follow-up paper) (LC Paper No. CB(1)886/16-17(01)) Administration's paper on &quot;2017 Policy Address - Policy initiatives of Commerce, Industry and Tourism Branch, Commerce and Economic Development Bureau&quot; (LC Paper No. CB(1)20/17-18(01)) Administration's paper on &quot;2017 Policy Address - Policy initiatives of Constitutional and Mainland Affairs Bureau in relation to Mainland co-operation and Taiwan affairs&quot; (LC Paper No. CB(1)20/17-18(02)) Administration's paper on &quot;2017 Policy Address - Policy initiatives of Innovation and Technology Bureau&quot; (LC Paper No. CB(1)32/17-18(03)) Minutes of meeting (LC Paper No. CB(1)341/17-18)</td>
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<td>1/11/2017</td>
<td>Council</td>
<td>Question No. 4 on &quot;Measures to boost innovation and technology development&quot; raised by Ir Dr Hon LO Wai-kwok (Hansard) (page 987-996)</td>
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