For discussion
on 21 April 2026

Legislative Council
Panel on Commerce, Industry, Innovation and Technology

Latest development of the Hong Kong-Shenzhen Innovation and Technology Park

Purpose

This paper briefs Members on –

(i) the latest development of Hong Kong-Shenzhen Innovation and Technology Park (Hong Kong Park), including the progress of construction, investment promotion, as well as promotion of the cross-boundary flow of innovative elements such as personnel, goods, capital, and data (Four Flows);

(ii) the proposal to expedite the completion of the infrastructure and utilities for Phase 1 of the Hong Kong Park with the earmarked funding of $3.7 billion as announced in the 2025-26 Budget and seeks Members' views; and

(iii) the latest planning for the Life and Health Technology Research Institute, the establishment of its Headquarters in the Hong Kong Park and the proposed revision of the ambit of the commitment under Head 155 "Government Secretariat: Innovation and Technology Commission" Subhead 700 "General non-recurrent" Item 805 "Subsidy Programme for the Setup of Life and Health Technology Research Institute(s)" and change of item name to "Life and Health Technology Research Institute".

Background

2. The Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone (the Co-operation Zone), located on the two sides of the Shenzhen River, consists of the 87-hectare Hong Kong Park and the 300-hectare Shenzhen Park. It is one of the major co-operation platforms in the Guangdong, Hong Kong and Macao Greater Bay Area under the "Outline of the 14th Five-Year Plan for National Economic and Social Development and the Long-Range

Objectives Through the Year 2035 of the People's Republic of China".

3. The Hong Kong Special Administrative Region (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" in 2017, agreeing to jointly develop the Loop. According to the memorandum, the Hong Kong-Shenzhen Innovation and Technology Park Limited (HSITPL)[1] is vested with the responsibility to build the superstructure of, as well as to operate, maintain and manage the Hong Kong Park. With the development of the Co-operation Zone elevated to the national level, Hong Kong, as a major participant and constructor of the Co-operation Zone, attaches great importance to the high-quality development of the Hong Kong Park. At government-to-government level, the Joint Task Force on Development of Hong Kong-Shenzhen Innovation and Technology Park in the Loop, co-chaired by the Secretary for Innovation, Technology and Industry and Vice Mayor of Shenzhen, has been discussing development progress of the two parks as well as other issues of mutual interest since 2017. The HKSAR Government has also established the Steering Committee on the Hong Kong-Shenzhen Innovation and Technology Park in the Loop, led by the Chief Executive, to provide top-level and macro directions on the overall strategy, planning and layout for the development of the Hong Kong Park and steer and coordinate the work of relevant bureaux and departments in developing the Hong Kong Park.

4. The HKSAR Government promulgated the Development Outline for the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone (Development Outline) in November 2024, setting out the key development directions, strategies and targets for the Hong Kong Park and leading its development through top-level design, with two important five-year milestones. By 2030, Phase 1 of the Hong Kong Park will be completed in an orderly manner. By 2035, a comprehensive development pattern of the Hong Kong Park will emerge.

Overall Development Strategy

5. The HKSAR Government strives to develop the Hong Kong Park into a world-class innovation and technology (I&T) hub which connects the Mainland and the rest of the world, as well as act as a crucial source of new quality productive forces for our country.

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[1] Incorporated in 2017, the HSITPL is a subsidiary company under the Hong Kong Science and Technology Parks Corporation (HKSTPC). HKSTPC is wholly owned by the HKSAR Government and is subject to the Hong Kong Science and Technology Parks Corporation Ordinance (Cap. 565).

6. The Co-operation Zone, with the Hong Kong Park and the Shenzhen Park, is jointly established under the vision of "one river, two banks" and "one zone, two parks". It is the country's only major co-operation zone with two social, economic and judicial systems co-existing geographically and with I&T as the theme of development. Leveraging Hong Kong's advantages as a highly internationalised city under "One Country, Two Systems", the Hong Kong Park will develop in accordance with the basic principles of "being free and open, connecting the Mainland and the rest of the world, and facilitating movement" to fully leverage Hong Kong's role and strengths as a bridge connecting the Mainland and the rest of the world, thereby pooling Mainland and overseas I&T resources and talent, and developing into an important platform for attracting business, investment and talent.

Latest Development of the Hong Kong Park

Park construction progress

7. The Hong Kong Park will be developed in two phases from west to east, providing a total gross floor area of about 2 million square metres. Phase 1 is divided by function into Life and Health Technology zone, Artificial Intelligence (AI) and Data Science zone, and New Technology and Advanced Manufacturing zone, together with talent accommodation and commercial support facilities. The detailed planning for Phase 2 development has also been completed, and will similarly be divided into functional zones (such as "Life and Health Technology", "AI and Data Science", "New Technology and Advanced Manufacturing", and "Industry-Academia-Research") to ensure orderly development. The Government and the HSITPL will make appropriate adjustments to the land use distribution and related planning of the two phases taking into account the market response and actual development conditions, maintaining flexibility to ensure the Park can continuously align with the latest industry and technology trends. The proposed land use distribution for the two phases is at **Annex 1**.

8. In 2021, the Legislative Council (LegCo) approved a capital injection to the HSITPL for commencing the construction of a total of eight buildings in Batch 1 development of the Hong Kong Park[2]. The first three buildings (including one talent accommodation and two wet laboratory buildings) have been completed, and the Hong Kong Park was officially opened on 22 December 2025. The HSITPL and the first batch of enterprises have commenced operations at the Park, with various living support facilities and

[2] The LegCo Finance Committee (FC) approved $18.135 billion in February 2021 for the HSITPL to undertake the first batch development of the Hong Kong-Shenzhen Innovation and Technology Park. The approved amount includes $17.258 billion to support the construction for eight buildings in Batch 1, and $877 million to support the early operating expenses of the HSITPL.

transport networks being continuously optimised. Construction of the remaining five buildings (including two wet laboratory buildings and three dry laboratory/office buildings) is in full swing and is expected to be completed by end of 2026. Based on current estimates, benefiting from various factors including rigorous and proper supervision of the works, there should be surplus funds from the budget for constructing the above eight buildings. Given that the remaining buildings of the first batch will be completed this year, depending on the surplus amount, the HSITPL will study how best to utilise such resources to promote the Park's development in a cautious and prudent manner.

9. To expedite the Park's development, the Government has earmarked $3.7 billion in the 2025-26 Budget for key infrastructure and utilities for Phase 1 development, including roads, underground utility tunnels, and the construction of supporting facilities such as biobank and high-performance computing centre. The HSITPL has conducted technical feasibility study on the relevant proposals with details set out in paragraphs 23 to 29 below for Members' consideration.

10. Furthermore, the HSITPL sought market expressions of interest in September 2025 for the development of the remaining land parcels in Phase 1, receiving 27 positive responses covering developers, technology enterprises and infrastructure operators. The HSITPL is analysing the responses and has been persistently communicating with the market on the development modes. The HSITPL plans to release the land in an orderly manner starting from the second quarter of 2026 through public-private partnerships using tendering, joint ventures or other models, with a view to expediting and enhancing the efficiency of the Park development by harnessing private market forces.

11. The 2026-27 Budget announced that the Government will provide an additional injection of $10 billion to the HSITPL to accelerate the Park development in various aspects, including expediting the release of remaining land parcels in Phase 1 through public-private partnerships, providing key infrastructure to facilitate cross boundary flow of innovative elements, enhancing support for incubation programmes and establishing a venture capital fund to support start-ups in the Park. The HSITPL will study the details and project estimates (including cash flow requirement) relating to the $10 billion injection. It is expected that a large portion of the fund will be used to support the development of land parcels through public-private partnerships. The remaining portion is expected to be used for, among others, strengthening incubation programmes to support start-ups and the daily operation of the Park. The Government will maintain close liaison with the HSITPL to ensure that enterprises and institutions in the Park have access to all necessary support, and will seek funding approval from the LegCo FC as appropriate to ensure the orderly development of the Park.

Investment Promotion and Building a comprehensive I&T Ecosystem

12. As at the end of March 2026, the two completed wet laboratory buildings have attracted near 80 technology enterprises and institutions to sign tenancy agreements, leased out about 90% of the floor area. Among the enterprises settling in the two wet laboratory buildings, local, Mainland and overseas enterprises account for about 31%, 56% and 13% respectively. Their fields cover primarily pillar industries such as life and health sciences, microelectronics, new energy, AI and data science. These are also the I&T industries mentioned in the Hong Kong I&T Development Blueprint that Hong Kong should focus on developing in the future.

13. Among the enterprises that have moved in, about 13% are listed companies and around 61% are start-ups. Besides, about 58% of the enterprises are setting up footholds in Hong Kong for the first time. These enterprises are mainly attracted by the Park's locational advantages, as well as Hong Kong's unique positioning in connecting overseas and Mainland markets which can help Mainland companies "go global" and also facilitate overseas enterprises using Hong Kong as a springboard to enter the Greater Bay Area and the Mainland markets. The HSITPL will continue to participate in and organise roadshows, exhibitions, large-scale conferences, etc. in key I&T cities in the Mainland and overseas to promote the Park and attract more high-quality enterprises and institutions to set up in there.

14. Furthermore, to support the building of a comprehensive I&T ecosystem, the LegCo approved a $200 million allocation in May 2025 to provide incubation and acceleration support for life and health technology start-ups in the Park. The HSITPL has launched the incubation programme in the first quarter of 2026 and held the "HSITP Incubation Programme Launch Ceremony cum Technology Day Exhibition" on 30 March 2026. The first incubation programme focuses on the two major industries of life and health technology, AI and data science. During the recruitment period, the programme has received over 750 applications, with 108 start-ups eventually selected. These start-ups come from around the globe, with local start-ups accounting for about 53%, Macau and the Mainland taken up 31%, and overseas accounting for 16%.

Facilitating the Cross-boundary Flow of Innovative elements (Four Flows)

15. Facilitating the convenient flow of innovative elements within the Co-operation Zone is fundamental to the Park's development. The HKSAR Government is in close liaison with the Shenzhen Municipal Government and relevant national authorities to pilot various facilitation measures as soon as possible, on the premise of complying with the relevant national security laws and regulations and where risks are under control. Based on current discussions,

cross-boundary flow will adopt mechanisms such as "green lane", "white list" of participant enterprises, as well as dedicated lists for data and research materials, etc., with a view to streamlining clearance and approval procedures for entering and leaving the parks on both sides. Technological means for end-to-end monitoring of sampling, transport, storage, use and disposal will be deployed throughout the process. The HKSAR Government has worked with Shenzhen to prepare a concrete implementation proposal in respect of the cross-boundary flow of biosamples and data between the two Parks, covering the requirements for application, transportation and storage, etc., and is liaising closely with the relevant Mainland authorities in a bid to put in place groundbreaking policy measures.

16. At the same time, the Government is enacting dedicated legislation to expedite the development of the Northern Metropolis to provide a more solid legal foundation for facilitating cross boundary flows. One of the policy areas of this dedicated legislation is to establish an institutional framework for facilitating and managing cross boundary flow of elements for the Hong Kong Park and other designated areas in the Northern Metropolis. According to the current plan, the first batch of subsidiary legislations will address personnel flow arrangements for the Hong Kong Park, providing a legal basis for the future implementation of the "white list" clearance model.

Personnel flow

17. The "Western Cross-River Link Bridge Project" connecting the two parks has commenced in December 2025. This project will open up the transport network of the Co-Operation Zone and effectively facilitate cross boundary personnel flow, leveraging the advantages of Shenzhen-Hong Kong boundary facilities and innovative management policies. The two sides will adopt a design concept that highlights low carbon technology, safety, convenience, and pleasant scenery, integrating the bridge with the surrounding ecological environment, as well as adopting a "single-span crossing" construction approach. The target completion date is mid-2027.

18. Regarding clearance arrangements, the initial concept is to adopt a "white list" mechanism to facilitate frequent cross boundary travel by persons with business needs (such as employees of Park enterprises, researchers, residents, students, etc.). The HSITPL will consult relevant departments and Shenzhen departments to formulate an approval mechanism with a view to ensuring that it is robust and controllable.

Data and Material (e.g. Biological Samples) Flow

19. As mentioned above, the HKSAR Government has jointly prepared with Shenzhen an implementation proposal for the cross-boundary flow of research data and biosamples, recommending the establishment of a "green lane" and "white list" mechanism within the Co-operation Zone to streamline approval procedures for the export of Mainland research data and biological samples to the Hong Kong Park. Technological means will be used to monitor the transfer and use throughout the process.

20. Specifically, the two sides will jointly establish a cross boundary mechanism and process for data and biological samples, formulate a list of key institutions and a "dedicated list for Hetao", as well as establish an end-to-end traceability platform through the adoption of technological means (e.g. blockchain technology and Internet of Things (i.e. IoT) temperature-controlled positioning equipment) to achieve end-to-end monitoring of collection, transport/transmission, storage, use and disposal. The two sides will also coordinate on regulatory measures. Where necessary, the HKSAR Government will also consider covering relevant regulatory requirements through the dedicated Northern Metropolis legislation. The ultimate goal is to achieve convenient flow of biological samples, data and other innovative elements between the two parks of the Co-operation Zone, while ensuring national security, ethical compliance and controllable risks, and to gradually expand the scope to other research materials, thereby forming a flexible, efficient and risk-controllable cross boundary technology innovation system and mechanism. The HKSAR Government will continue to actively follow up and strive to launch relevant projects as soon as possible to implement breakthrough policy measures.

21. In addition to actively discussing software support such as approval mechanisms and processes with relevant Mainland authorities, the HKSAR Government is also working on the hardware infrastructure in the meantime to ensure that cross boundary data and biological samples can be transported in a safe and controllable environment by Park companies for research purposes. The Hong Kong Park needs to be equipped with high-performance computing facilities to support the secure storage and processing of cross boundary data; it also needs to establish internationally compliant biobank and laboratory facilities with stringent security management systems to ensure that biosamples are properly monitored at stages of storage, handling and use. The $3.7 billion funding proposal in paragraphs 23 to 29 below covers the procurement and construction of the above hardware facilities, providing the necessary foundational support for implementing the "Four Flows" measures.

Capital Flow

22. To facilitate cross-boundary transfer of capital by Mainland enterprises settling in the Hong Kong Park, the HKSAR Government is discussing with relevant Mainland authorities to introducing facilitation measures under the existing outbound direct investment framework, including the orderly relaxation of fund quotas and streamlining of approval procedures to support enterprises in conducting research and business development in the Hong Kong Park.

Funding Proposal to Expedite the Completion of Phase 1 Infrastructure and Utilities of the Park

23. The 2025-26 Budget earmarked $3.7 billion to expedite the completion of Phase 1 infrastructure and utilities of the Hong Kong Park. The HSITPL has completed the technical feasibility study on the relevant projects, and the specific proposal is set out below.

Scope

24. The proposal covers the following three categories of infrastructure:

Category	Purpose
(1) Public utilities	Construction of the Park's core transport network and underground utility systems, providing essential foundational support to ensure effective connectivity between various sites, and to provide stable support for water, electricity, telecommunications and other utilities for future Park operations.
(2) High-performance computing facilities	Procurement and installation of high-performance computing servers, network equipment, storage systems and related software, and construction of supporting data centre infrastructure, so as to provide AI model inferencing, big data analytics and other computing services for eligible Park enterprises, thereby supporting their processing of cross-boundary research data in a secure and controllable environment.
(3) Biobank and laboratory facilities	Procurement and installation of ultra-low temperature storage equipment, biological sample processing systems, laboratory information management systems, and fitting-out of laboratories and supporting works, so as to establish internationally compliant biobanks and laboratory facilities for clinical bioanalysis and pre-clinical research, thereby providing eligible Park

	enterprises with a secure and compliant environment for biological sample storage and research.

25. The relevant information for each category of facilities is tabulated as follows:

Category	Specific items
(1) Public utilities	
Central Boulevard	● Runs from northeast to southwest across the Park, covering an area of about 14,027 square metres, with a covered walkway about 432 m long and about 3.7 m wide, and will connect to the future Northern Link Spur Line MTR station. ● The Central Boulevard will feature footpaths, outdoor sports facilities, seating areas, event plazas and green spaces, providing the Park's main public space and activity corridor.
Internal Roads	● Includes two internal roads, R1 and R2, with footpaths on both sides. ● R1 is about 360 m long, located on the north side of the Central Boulevard; and R2 is about 365 m long, locating on the south side of the Central Boulevard. Bus bays will be provided on these roads for internal transport connections within the Park.
Common Utility Enclosure and Underground Utilities	● Laying of sewer pipes, drainage pipes, fresh water mains, flushing water pipes, electricity cables and telecommunications conduits under the internal roads and within the common utility enclosure, providing comprehensive utility services for the Park.
Information Technology (IT), Green initiatives and Smart City facilities	● Installation of smart lampposts (integrating smart street furniture), bicycle parking spaces, advanced metering infrastructure, digital display and navigation facilities, EV charging facilities, traffic management systems, IT systems, data network and wireless network systems, etc., to enhance the Park's smart city functions and sustainable development.
(2) High-Performance Computing Facilities	
Data Centre	● Located within the Phase 1 of the Park, it will be configured with power supply and cooling systems to support data centre operations.

	● Will be equipped with server and storage systems to support large-scale data processing and model training needs.
Security and Software System Management	● Will feature automated detection systems supporting identity authentication, audit logging and automated user management. ● Will feature 24/7 continuous monitoring for real-time detection of suspicious behaviour. ● Will be equipped with systems for handling sensitive or confidential information, ensuring compliance with relevant security requirements.
(3) Biobank and Laboratory Facilities	
Biobank and Laboratory Facilities	● Located within Phase 1 of the Park, aims to support cross-boundary flow of biological samples; life and health technology R&D activities, as well as providing a secure and compliant environment for biological sample storage and research for eligible Park enterprises.
Types of Samples for Storage	● Covers cells, blood (whole blood, plasma), tissue, etc., and can receive biological samples from the Mainland, Hong Kong and overseas.
Equipment	● Plans to install ultra-low temperature storage systems, liquid nitrogen storage equipment, biological sample processing systems, laboratory information management systems, biological sample security monitoring systems, etc. Will also procure biological sample testing and analysis facilities and incubation laboratories to support scientific research applications and transformation.
Security and Quality Management	● Will be constructed according to international standards, equipped with strict physical access control and quality management systems. ● Will be equipped with biological sample security monitoring systems, including 24-hour video surveillance, real-time temperature monitoring and abnormal alarm systems, etc. ● Laboratories will be equipped with clinical bioanalysis and pre-clinical research facilities meeting national and international certification standards, to support Park enterprises in making declarations of research outcomes to authorities such as the National Medical Products

	Administration and the U.S. Food and Drug Administration.

The location map of the above facilities is at **Annex 2**.

26. The Government plans to entrust the HSITPL with the day-to-day operation, management and maintenance of the relevant facilities. The HSITPL will use its existing resources and arrange personnel with relevant expertise in doing so. Depending on the requirements from the relevant national authorities, the HSITPL will also consider engaging professional consultants/technical personnel (such as data information security experts, laboratory technicians, etc.) to ensure that the facilities can support research activities by Park enterprises in a sustainable manner.

$3.7 billion Capital Injection

27. We propose the creation of a commitment to inject of $3.7 billion (in money-of-the-day prices) as equity from the Capital Investment Fund to the Hong Kong Science and Technology Parks Corporation to enable its wholly-owned HSITPL to carry out the above infrastructure work. The provisional breakdown of the commitment for the three categories of infrastructure is as follows:

		Million
(a)	Common Utilities	2,244
(b)	High-performance Computing Facilities	706
(c)	Biobank and Laboratory Facilities	750
	Total	**3,700**

28. Subject to Members' agreement, the Government plans to seek approval from LegCo FC in the second quarter of this year for the $3.7 billion allocation to expedite the completion of Phase 1 infrastructure and utilities of the Park.

Implementation Timetable

29. Subject to LegCo FC approval of the above proposal, the HSITPL will commence relevant work immediately. Based on current estimates, the high-performance computing facilities, biobank and laboratory facilities are expected to be commissioned progressively from 2027 onwards; other infrastructure and utilities are expected to be completed within 2029. The above timeline is subject to adjustment depending on discussions with relevant national authorities regarding the Four Flows measures and final decisions.

Life and Health Technology Research Institute's Headquarters to be set up in the Hong Kong Park and its mode of development

30. LegCo FC approved in June 2024 a non-recurrent commitment of $6 billion for the implementation of the Subsidy Programme for the Setup of Life and Health Technology Research Institute(s)[3]. The relevant paper suggested that subsidies be provided for local universities to set up research institutes in the field of life and health technology and that a matching ratio of up to 4 (Government) : 1 (university and/or industry) be applied.

31. With three major I&T parks and five key R&D institutions as the development framework, the Government is facilitating the creation of a new landscape that promotes synergistic development across the upstream, midstream and downstream sectors. The Life and Health Technology Research Institute[4] (LHTRI), as one of the five Key R&D institutions, will leverage the synergy effect with other facilities in the Hong Kong Park, with a view to developing into a world class laboratory in Hong Kong on par with the national laboratories in the Chinese Mainland.

32. To align with the "Outline of the 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China" (the 15th Five-Year Plan)[5] which stated to leverage the leading role of national laboratories in spearheading major national science and technology missions and implementing strategic initiatives in areas such as artificial intelligence and biotechnology, and to fully utilise the advantages of "one zone, two parks" in the Co-operation Zone, we recommend updating the funding arrangements of LHTRI. This would specifically address national strategic needs, help strengthen the nation's scientific and technological capabilities in key innovation areas, assist in attracting more high-calibre international talents, and support the nation's accelerated development into a science and technology powerhouse.

33. Hong Kong boasts a strong research foundation in life and health sciences and artificial intelligence, possessing numerous world-renowned

[3] Item for Finance Committee FCR(2024-25)12

[4] The Financial Secretary announced in the 2023-24 Budget to set aside $6 billion to provide subsidies for universities to set up life and health technology research institutes to foster cross-university, cross-institutional and multi-disciplinary co-operation. After consulting the LegCo Panel on Commerce, Industry, Innovation and Technology in February 2024, the Finance Committee of LegCo approved the $6 billion allocation in June 2024.

[5] The Fourth Session of the 14th National People's Congress adopted the 15th Five-Year Plan in March 2026. The 15th Five-Year Plan proposes to accelerate high-level scientific and technological self-reliance, drive decisive breakthroughs in core technologies of priority fields including biomanufacturing, implement strategic technological initiatives in fields including artificial intelligence and biotechnology, support national laboratories in spearheading the implementation of major national science and technology missions and enhance systematic innovation capabilities. The 15th Five-Year Plan also made important plans for Hong Kong's development, proposing to develop Hong Kong into an international innovation and technology centre and for Hong Kong to build a highland of international top-tier talent.

research teams and a number of excellent R&D laboratories. Hong Kong also has a high level of international standard medical expertise and a highly efficient healthcare system, leading the world in many healthcare indicators (such as life expectancy and infant mortality rate) and healthcare efficiency scores.

34. Our vision is to accelerate the development of a vibrant life and health technology ecosystem in Hong Kong through LHTRI. Building on Hong Kong's research capabilities (including local universities and research institutions), the LHTRI will leverage Hong Kong's R&D strengths in life and health technology supplemented by artificial intelligence, attract leading global innovation and technology talents and research teams to Hong Kong, achieve more original and pioneering results and breakthroughs and promote the relevant technological R&D and the transformation of research outcomes, so as to allow Hong Kong to contribute to the health and well-being of the nation and humanity worldwide.

35. Considering that the Co-operation Zone is one of the major cooperation platforms in the Guangdong-Hong Kong-Macao Greater Bay Area and holds a significant strategic position in the overall national development, LHTRI will fully leverage the unique advantages of the Co-operation Zone's "one zone, two parks" structure and the support of national policies. LHTRI will also adopt a multi-disciplinary, multi-location operating model, allowing its teams to conduct R&D work as needed at the Hong Kong Park and its other research bases in Hong Kong, thereby facilitating the LHTRI to become a world-class research platform and a hub for top-tier international research talents.

36. The 2026-27 Budget announced that the LHTRI will adopt a "One plus Three" model, i.e. setting up one LHTRI Headquarters at the Hong Kong Park and three LHTRI branches led by universities. The LHTRI will consist of the following components:

(i) <u>One LHTRI Headquarters wholly owned by the Government:</u> The Headquarters will host a Central Facility focusing on "artificial intelligence + life sciences/medicine" to be set up at the Hong Kong Park with its own research teams and facilities; and

(ii) <u>Three LHTRI branches led by local universities:</u> The universities will establish their own LHTRI branches on their respective campuses and conduct research programmes (RPs) approved by the Government, so as to leverage the unique strengths and capabilities in life and health sciences of the universities in Hong Kong, which serve as major players in attracting top-notch scholars and professors in the relevant fields. The three branches' RPs will focus on different research areas to avoid duplication of resources.

The LHTRI Headquarters will operate as a limited company wholly owned by the Government. The three LHTRI branches will be established as three companies limited by guarantee to be owned by their respective leading universities.

37. In order to fulfil its public mission and ensure the proper use of public funds, we will establish the following corporate governance system for the LHTRI Headquarters –

(i) Board of Directors: The Government will appoint the Board of Directors of LHTRI, whose members include experts, scholars and government representatives with diverse backgrounds and experience. It will be responsible for devising strategic matters, setting the directions for development, and establishing a sound governance mechanism to ensure that the operation of the LHTRI aligns with its founding vision and public mission; and

(ii) Chief Executive Officer (CEO): The LHTRI Headquarters will conduct global open recruitment of its CEO. The CEO is responsible to lead the dedicated team of the Headquarters to conduct research focusing on "artificial intelligence + life sciences/medicine", coordinate R&D efforts of the three LHTRI branches to leverage synergy effect, oversee the company's day-to-day operation and report to the Board of Directors.

38. The three LHTRI branches will be established as three companies limited by guarantee to be owned and supervised by their respective leading universities and operate as non-profit making entities. Each LHTRI branch will set its key focus areas based on the existing strengths of its respective leading university, such as medical diagnosis, advance treatments, elderly neurodegenerative diseases, etc., and carry out day-to-day activities in accordance with the agreements signed with the Government, including but not limited to undertaking RPs previously approved by the Government, collaboration with academic partners and industry players, activities related to the transformation of research outcomes, etc.

39. The LHTRI Headquarters will play a coordinating role with the three LHTRI branches, provide a platform for cross-university collaboration, and conduct joint research with the branches focusing on "artificial intelligence + life sciences/medicine". The LHTRI Headquarters will also coordinate the publicity and marketing efforts to showcase and promote the overall R&D outcomes, achievements, scientific breakthroughs, collaborative projects, activities related to the transformation of research outcomes, etc. of the LHTRI. At the same time, the LHTRI branches are required to report their progress to the

LHTRI Headquarters regularly.

40. To support the establishment of the LHTRI Headquarters and three branches mentioned above, the updated financial arrangements are proposed as follows for planning purpose:

(i) Around 45% of the non-recurrent commitment of $6 billion will be reserved for the LHTRI Headquarters, and the relevant funds will be used for the payment of the following, including but not limited to: (i) capital costs for set-up, equipment and periodic renovation/upgrade etc.; (ii) operating costs such as rental, utilities, administrative staff cost as well as other administrative costs; and (iii) R&D-related costs such as financing research projects, R&D collaboration activities, R&D staff costs, etc.;

(ii) Around 55% of the said $6 billion will be allocated as subsidies for the universities to set up LHTRI branches. These subsidies will be provided on a matching basis with a ratio of up to 4 (Government) : 1 (university and/or industry). The scope of the subsidies would continue to follow the relevant arrangements approved in the FC Paper in June 2024 on "Subsidy Programme for the Setup of Life and Health Technology Research Institute(s)"; and

(iii) The LHTRI Headquarters is wholly owned by the Government and the aforementioned matching ratio will not apply to the Headquarters.

41. The Government has established a Steering Committee which is responsible for advising the Government on the overall development direction of the LHTRI and other related matters. The Commissioner for Innovation and Technology will serve as the Controlling Officer of the allocation for the non-recurrent commitment of $6 billion for implementing the LHTRI. To ensure the proper use of resources, the Innovation and Technology Commission will sign agreement(s) respectively with: (i) the LHTRI Headquarters; and (ii) each of the three LHTRI branches and its leading university. These agreements will specify the arrangements and obligations of the signing parties for managing Government funds, as well as the administrative and financial control requirements that the LHTRI Headquarters/branches shall comply with, so as to ensure transparency and public accountability in the use of funds. The agreements will also require the LHTRI Headquarters/branches to set performance indicators and submit progress reports, audited accounts and other required supporting documents regularly for approval. The leading universities shall closely monitor the implementation progress of their respective LHTRI branches.

Financial Implication

42. As at end March 2026, there are no expenditures under Head 155 "Government Secretariat: Innovation and Technology Commission" Subhead 700 "General non-recurrent" Item 805 "Subsidy Programme for the Setup of Life and Health Technology Research Institute(s)". The current balance of the commitment for implementing the LHTRI is $6 billion. We estimate that the above funding should be sufficient to cover around six to eight years of operation of the LHTRI Headquarters and the three LHTRI branches. A preliminary estimate of relevant cashflow is as follows –

Financial Year	**Estimated Cashflow ($M)**		
	LHTRI Headquarters (a)	**LHTRI Branches (b)**	**Annual Total (a)+(b)**
2026-27	500	1,300	1,800
2027-28	500	700	1,200
2028-29	300	300	600
2029-30 and onwards	1,400	1,000	2,400
Total	**2,700**	**3,300**	**6,000**

The annual cashflow will depend on the implementation progress of LHTRI Headquarters and its branches and the subsidies required. The current proposal does not involve additional injection.

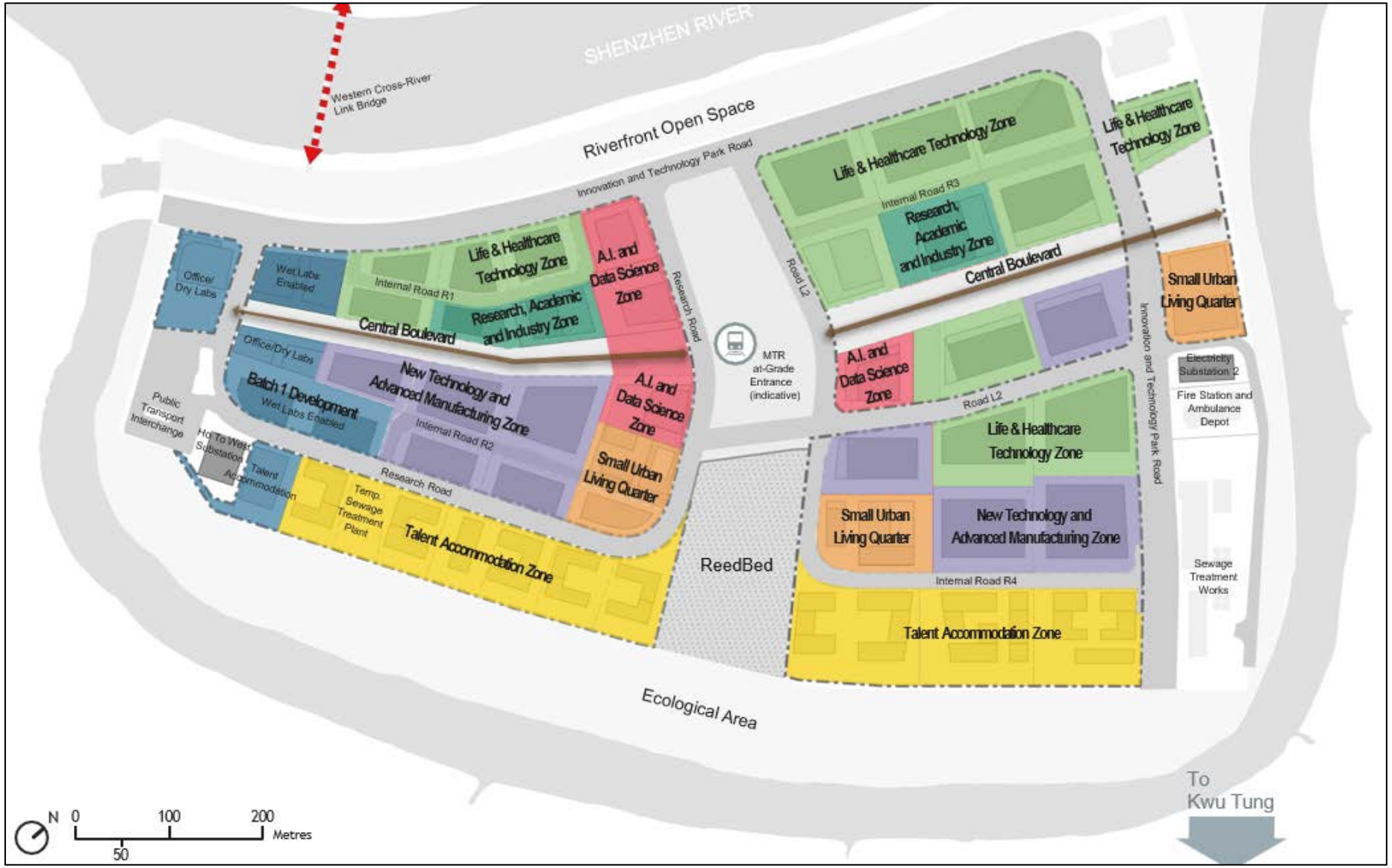
Advice Sought

43. Members are invited to note the latest development progress of the Hong Kong Park; as well as (1) support the Government to seeking the LegCo FC's approval of a commitment of $3.7 billion to expedite the completion of Phase 1 infrastructure and utilities of the Hong Kong Park, thereby preparing for the implementation of cross boundary measures for data and biological samples; and (2) support the Government to seeking the LegCo FC's approval to revise the scope of the commitment under Head 155 "Government Secretariat: Innovation and Technology Commission" Subhead 700 "General Non-recurrent" Item 805 "Establishment of Life and Health Technology Research Institute Funding Scheme", and rename the item to "Life and Health Technology Research Institute".

Innovation, Technology and Industry Bureau
Innovation and Technology Commission
April 2026

Annex 1

Proposed Land Use Distribution of the Hong Kong Park



Annex 2

Location Map of the Proposed Facilities