



Hong Kong Science and Technology Parks Corporation

# 2023-2024 Annual Report



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## PROPELLING SUCCESS

The Hong Kong Science and Technology Parks Corporation (HKSTP) has been reinforcing the region's commitment to innovation and technology (I&T), and catalysed growth in the I&T sector. Through various initiatives, HKSTP has continued to spearhead the development and expansion of Hong Kong's thriving I&T ecosystem, promoting the city's technological capabilities on a global scale, and supporting Hong Kong's role as a 'super value-adder', instrumental in driving the city's evolution into a world-class innovation hub.

Spearheading Hong Kong's innovation landscape, HKSTP serves as the heartbeat of the city's extensive research and development (R&D) network. With a thriving community with total working population of over 22,000 and more than 14,000 committed solely to R&D, HKSTP actively supports technological innovation through targeted incubation programmes and plays a significant role in helping tech enterprises commercialise their innovations.

In the previous financial year, companies within the Park secured approximately \$12 billion in funding. These financial achievements underscore the Park's role as a crucial incubator for high-potential startups, supporting the growth of several 'unicorn' companies, with 15 of its Park companies progressed to public listings.

Central to HKSTP's long-term vision are our key innovation hubs, apart from the Hong Kong Science Park in Pak Shek Kok and the InnoCentre in Kowloon Tong, the three InnoParks located in Tai Po, Tseung Kwan O, and Yuen Long have been essential throughout the year in advancing 'Innofacturing', providing state-of-the-art capabilities and serving as crucial bases for R&D and advanced manufacturing activities that boost Hong Kong's diversified economy, while all locations play distinct roles in offering comprehensive support in facilitating the journey from viable ideas to global marketplace.

As international cooperations continues to further enhance the growth of our I&T ecosystem, targeted outreach programmes like the 'Innovation Mixer', launched in the previous year to engage tech innovators and business ventures overseas, the HKSTP delegations visited Singapore and Malaysia to strengthen partnerships across Asia in May 2023, and Las Vegas and San Francisco in early 2024 to explore new market leads.

Among these initiatives, the mission to the Middle East in March 2024 has been a key highlight of HKSTP's integral efforts in positioning Hong Kong's tech enterprises at the forefront of multilateral partnership opportunities, to advance in healthtech, biotech, AI and robotics, fintech, logistics, smart city technologies, GreenTech, and GreenFi sectors, and to bridge between local innovations and the international markets.

These efforts culminated in the successful hosting of the Elevator Pitch Competition (EPIC). In its eighth iteration, EPIC 2024 kickstarted in Oct 2023 and garnered 74 semi-finalists from the first-ever four-city series of global semi-finals held in Hong Kong, Silicon Valley, Stuttgart and Singapore. It is marked predominantly international, attracting universal talent and investment, and reinforcing HKSTP's role in promoting Hong Kong as an I&T hub on the international stage.

As part of HKSTP's broader mission to expand Hong Kong's skilled professional pool and drive innovation, the "Talent Power Up" I&T Career Expo 2024 was held in a hybrid format, exhibiting over 3,000 job openings from more than 300 Park companies across sectors, attracted a record 6,000 visitors and connected young talent with roles in tech.

The opening of the Hong Kong Science Park Shenzhen Branch in September 2023 marks a significant milestone in enhancing the connectivity between Hong Kong and Shenzhen's I&T ecosystems. As of the end of March 2024, 40 companies had moved in with the occupancy rate at 42%. It cements our city's role as a dual gateway for tech ventures navigating the complexities of global expansion in facilitating business growth and sculpting a high-quality development pathway for the Greater Bay Area (GBA).

Hong Kong is on the cusp of a transformative era in I&T, driven by the support from the government and pioneering initiatives by HKSTP in fostering innovation, attracting global talent, and promoting sustainability, HKSTP is tapping into the vast potential of innovation, and paving the way for Hong Kong to emerge as a significant player in the international tech arena.

## ACHIEVEMENT AT A GLANCE

- Over 1,700 technology companies<sup>1</sup>
- Over 22,000 working population<sup>2</sup>
- Over 14,000 R&D practitioners<sup>3</sup>
- 27 countries/regions of origin for Science Park companies
- 6 home-grown unicorns supported
- 6 overseas unicorns supported
- 4.34 million square feet at Science Park
- 15 park company IPO cases
- Over 700,000 utilised lab hours
- Over 1,000 incubatees graduated since inception of Incubation Programmes
- Over 1,100 startups supported
- HK\$12 billion of funding raised by Park companies
- Over 300 private and public sector partnerships
- Over 15,000 Science Park SPARK members

<sup>1</sup> The figure includes companies in Science Park, InnoCentre, and InnoParks

<sup>2</sup> The figure includes the working population in Science Park and InnoCentre

<sup>3</sup> The figure included the R&D practitioners in Science Park and InnoCentre

Achievements during 2023-24 unless otherwise stated.

## UNLEASHING POWER OF INNOVATION

### LAUNCHING TOMORROW'S INNOVATORS

Over the past year, HKSTP has fortified its role in nurturing talent and advancing young innovators, enhancing Hong Kong's stature as a global hub for Innovation and Technology (I&T). Through a series of strategic and carefully curated initiatives, HKSTP has enriched both local and international talent pools. Its comprehensive programmes underscore a commitment to developing a vibrant I&T ecosystem. HKSTP is dedicated to fostering innovation among the youth, ensuring that Hong Kong remains at the cutting edge of technological progress.

To boost Hong Kong's I&T talent pool, in March 2024, HKSTP organised the 'Talent Power Up' I&T Career Expo 2024, a flagship event designed to enlarge Hong Kong's talent pool and further industry growth. The expo attracted over 6,000 participants and showcased over 3,000 job opportunities from over 300 Park companies while providing professional job pairing services. Notably, 70% of these opportunities concentrated in the technology and R&D sectors, and prominently featuring key fields such as AI and robotics, microelectronics, biotechnology, and green technology, the event reflects the advanced innovations emerging in Hong Kong and addresses the sectors with the most substantial demand for talent. The newly established "StartUP Power Hub" at the expo provided aspiring entrepreneurs with crucial insights into the startup culture, complemented by AWS, LinkedIn, and Google workshops, which focused on demonstrating advanced AI competencies, underscoring HKSTP's commitment to enhance the talent pipeline critical for Hong Kong's growth. Additionally, HKSTP collaborated with the Hong Kong Jockey Club Charities Trust to continue implementing the JC PROcruit C programme, which provided job opportunities and training to 89 young job seekers last year, successfully bolstering the tech ecosystem.

HKSTP continues to further expand and enrich the local talent pool, offering training and networking opportunities with various internship programmes, and the first "Summer Talent Fest" was held in July and August 2023 to celebrate an international talent community of over 300 students engaged in hands-on experiences within the vibrant I&T ecosystem of Hong Kong and the GBA; and to further enhance practical exposure and deepen skills immersion, HKSTP collaborated with the Home Affairs and Youth Affairs Bureau (HYAB) to launch the "Youth Startup Internship Programme 2024" (YSIP) in January 2024, providing 100 tertiary students with 3-to-6 month internship opportunities at local startups.

To attract non-local talents and support Park companies' business development to establish Hong Kong as an international I&T hub, HKSTP jointly organised a series of Top Talent Pass Recruitment Fairs with the Hong Kong Top Talent Services Association (HKTTSA) in November 2023. Over the past year, nearly 600 top talent from leading universities participated in onsite job matchings with Park companies, resulting in nearly 100 top talent secured job opportunities at Science Park, strengthening ties within the international I&T community. Also, HKSTP led 20 Park companies to a job fair at the Chinese University of Hong Kong, Shenzhen (CUHK-Shenzhen), targeting the recruitment of undergraduate and postgraduate students from top universities in the GBA.

HKSTP and the Federation of Hong Kong Industries (FHKI) co-organised the second cohort of the Innopreneur Experience Journey in April 2023, guiding 40 secondary students to immerse themselves in the realities of the I&T sector over four days with visits to the Hong Kong Science Park and InnoPark, gaining executive shadowing experience and hands-on work opportunities, which helps young students planning for their careers.

Over 120 students of diverse educational backgrounds graduated in December 2023 from the Next Technologist Entrepreneurial Champion (NxTEC) Launcher Programme, in collaboration with J.P. Morgan, the programme nurtures the next generation of tech leaders through upskilling workshops, internships and mentorship opportunities with an aim to meet the growing demand for tech talent in Hong Kong.

In fostering an environment for advancing technological capabilities through comprehensive, community-engaged programs, HKSTP joined hands with Chinese University of Hong Kong (CUHK) T Stone Robotics Institute (CURI) and Lenovo to conduct the CUHK Robotics Open Day in July 2023. The event marked the signing of a collaboration agreement to co-incubate young talents in cutting-edge robotics and AI technologies.

The open day showcased more than 30 robotics innovations, including projects from the CUHK Robotics Team, startup companies, and InnoHK centres. This event demonstrated current technology's capabilities and paved the way for future educational and innovative collaborations in robotics.

The 20th annual Robocon Hong Kong Contest engaged students in designing sophisticated robots, preparing them for international competitions and demonstrating the depth of local talent in robotics and engineering. The winning team represented Hong Kong in September 2023 at the Asia-Pacific Robot Contest 2023 (ABU Robocon) in Cambodia, continuing the legacy of excellence established by previous Hong Kong teams. While the inspired 4th Mini Robocon, targeted in developing AI and robotics skills of junior secondary school students.

Over the past year, HKSTP has equipped future innovators with the necessary skills and experiences for future success. Through its alliance with the Jennifer Yu Cheng Girls Impact Foundation (JYCGIF) in May 2023, HKSTP launched "IdeaGO Ideathon", a programme designed to enhance female participation in the I&T sector and empowers female secondary school students to develop and present innovative solutions, deepening their engagement with I&T and entrepreneurship.

Complementing these localised training and development efforts, HKSTP extends its reach globally to bridge local talents with international standards of innovation. The Talent Game On 2K23 challenge brought six winners to Silicon Valley and encouraged their pursuit of careers in the I&T industry. The five-day itinerary in October 2023 included visits to tech giants like NVIDIA, AMD, Google, and Apple and networking events at Stanford University.

## SHOWCASING INNOVATION ON THE WORLD STAGE

HKSTP has continued to make significant strides in expanding its global outreach and showcasing Hong Kong's I&T capabilities on the world stage. Through strategic initiatives and the organising of exchange events such as the Innovation Mixer, Hong Kong is positioned as an influential player in the global I&T ecosystem, strengthen international alliances, and established new business relationships. "Innovation Mixer" is a global outreach programme driven to explore economic and trade partnership opportunities and capture the rapid growing HK-GBA-China market potential. A delegation was sent to visit Singapore and Malaysia mid-year for networking events and panel discussions on talent and enterprise collaboration, with representatives from HKSTP and Park companies sharing their business expansion and talent recruitment plans for Southeast Asia, while meetings with government representatives, business leaders, and leading venture capital firms fostered deeper cooperation and drove innovation between ecosystems.

The visit concluded with Tech Talent Ignite, a networking events attracted over 200 Southeast Asian job seekers in June 2023 and successfully hired for eight strategic Park companies. The Southeast Asia tour generated high engagement and interest from key stakeholders across government, business, research, education, and local talent communities, highlighting the potential for joining the Southeast Asia I&T ecosystems with the broader HK-GBA-China opportunity.

HKSTP participated in the "Think Business, Think Hong Kong" symposium at the Carrousel du Louvre in Paris in September 2023 organised by the Hong Kong Trade Development Council (HKTDC). This event highlighted Hong Kong's contributions to innovative sectors, attracting over 1,300 participants and fostering discussions on collaborative opportunities between the Hong Kong and French biotech ecosystems. HKSTP hosted a well-received thematic session titled "Unlocking Asia's Opportunities in Healthcare Innovation", featuring leading Hong Kong biotech experts convened with healthcare sector stakeholders, sharing insights on Hong Kong's strategic role in advancing global healthcare innovations, illustrating the city's biotechnological capabilities, and reinforcing its relevance to international markets. The event also provided valuable networking opportunities, enabling attendees to connect with European business leaders and stakeholders, thus strengthening international relationships and promoting global market engagement.

HKSTP's collaboration with the Global Entrepreneurship Network (GEN) marked another significant milestone in September 2023, extending Hong Kong's innovation ecosystem to GEN's 200 markets worldwide, including participation at the Global Entrepreneurship Congress (GEC) 2023 in Melbourne, Australia, the delegation highlighted Hong Kong's I&T ecosystem and explored collaboration opportunities with GEN's global network counterparts, and provided a platform for Hong Kong to showcase its strengths and attract new talent and ventures.

In January 2024, HKSTP visited the West Coast in United States to connect among the innovation communities and showcase the booming opportunities in Asia. A series of events, including visits to prestigious academic institutions, Stanford University and the University of California, Berkeley (UC Berkeley) was held to explore potential collaborations on incubation, internship, and talent programmes. Meetings with over 40 market-leading tech enterprises, venture capital firms, accelerators, academia, and R&D leaders provided valuable insights and opportunities. Over 300 young entrepreneurs and innovators attended events to learn about Hong Kong's growing I&T ecosystem as the tour highlighted Hong Kong's rising status in the UN's Global Frontiers Technology Readiness Index and the Global Innovation Index, affirming its position as a leading innovation hub. During the visits to Stanford University (Stanford), the delegation explored talent partnerships and hosted career sessions to highlight I&T career paths in Hong Kong, while collaborations with UC Berkeley focused on startup partnerships and internship programmes, further strengthening ties between Hong Kong and the US innovation ecosystems. HKSTP implemented a pilot "Global Internship Programme" in the summer where four engineering students from Stanford were selected to experience a hands-on internship.

HKSTP's participation at the Mobile World Congress (MWC) 2024 in Barcelona, Spain in February 2024 further amplified Hong Kong's I&T capabilities and international exposure. Exhibiting local R&D products from seven Park companies, this premier event provided an international platform for innovative technologies, attracting professional buyers and enhancing brand visibility. Exhibitors at the Hong Kong Technology Pavilion reported numerous potential business opportunities, reflecting the strength of Hong Kong's R&D. With a networking reception engaged technology specialists and organisations from Europe and beyond, highlighting Hong Kong's extensive I&T ecosystem and its role as a gateway for expansion into Asia.

Throughout the reporting year, HKSTP continued to exhibit groundbreaking technologies from Park companies on the global stage. In March 2024, HKSTP participated in a delegation led by Professor Sun Dong, Secretary for Innovation, Technology and Industry, to the Middle East, with its first stop at LEAP 2024 – the world's largest tech event in Riyadh, Saudi Arabia. At this venue, the inaugural Hong Kong Pavilion, a joint effort between HKSTP and Cyberport, featured the innovations of eight pioneering Park companies. This showcase highlighted Hong Kong's cutting-edge advancements in sectors such as biotech, healthtech, AI, robotics, logistics, and new energy, capturing the interest of global investors and stakeholders.

The mission to the Middle East saw establishment of two pioneering collaborations. A strategic Memorandum of Understanding (MoU) with the King Abdulaziz City for Science and Technology (KACST), aims to enhance cooperation and foster the growth of startups and talent in both Hong Kong and Saudi Arabia, providing reciprocal soft-landing opportunities for companies, while the second partnership with Tsang's Group focuses on propelling tech ventures into high-growth industries within the Middle East and Southeast Asia, especially in green and sustainable sectors. Additionally, HKSTP's Park companies forged five game-changing alliances across the Middle East, laying the groundwork for innovative collaborations and global scaling. These alliances are poised to tap into Saudi Arabia, Qatar, and the UAE markets, further solidifying Hong Kong's role as a crucial player in international tech development. As part of the Hong Kong delegation, HKSTP leveraged a succession of high-level engagements, strategic visits to key institutions, and discussions with major regional investment companies. These efforts aimed to promote Hong Kong's I&T capabilities and catalyse new international tech partnerships.

## **FUELLING NEXT-GEN TECH COLLABORATIONS WITH INDUSTRY LEADERS**

HKSTP is committed to collaborating with enterprises to expand Hong Kong's I&T ecosystem and open new avenues for business growth. These partnership-building efforts over the past year have supported the development of key sectors, including new energy vehicles, microelectronics, biotechnology, and cybersecurity. These initiatives have also contributed to the city's economic growth, nurtured tech talent, and strengthened Hong Kong's position as a global hub for innovation and technology, paving the way for a more innovative and sustainable future.



HKSTP has proactively attracted industry-leading enterprises from various sectors to establish facilities and operations at the Hong Kong Science Park. This includes Intron Technology Holdings Limited (Intron Technology), a distinguished leader in automotive electronics solutions, establishing a new R&D centre in November 2023 at Science Park that represents a significant strategic expansion within the GBA, aligning with its objectives to enhance its international market presence and build a global talent network. The new centre is set to focus on automotive intelligent software, advanced power semiconductor applications, and collaborative robotics solutions. These initiatives are aimed at accelerating the development and commercialisation of state-of-the-art technologies in new energy vehicles, robotics, and smart driving. Additionally, Intron Technology is committed to creating an international scientific research talent pool, with plans to recruit at least 100 specialists over the next three years.

Additionally, HKSTP signed an MoU with Horizon Robotics in December 2023 to establish a 'Technology Innovation R&D Center' at the Hong Kong Science Park. This collaboration focuses on the research and development of automated driving solutions, nurturing talent, and protecting intellectual property. Horizon Robotics is committed to a substantial investment of approximately HK\$3 billion by the end of 2028 and plans to expand its team with around 100 R&D specialists. This venture is expected to significantly enhance the development of Hong Kong's microelectronics and intelligent vehicle industry, as taking the strategic step towards bolstering Horizon Robotics' global operations and standards will benefit Hong Kong's automated driving industry and extend its impact to the GBA, promoting the growth of Hong Kong's smart vehicle ecosystem.

In a strategic move to further bolster Hong Kong's microelectronics industry, HKSTP signed an MoU with J2 Semiconductor (Shanghai) Co. Ltd. (J2 Semiconductor) in October 2023 to establish Hong Kong's first Silicon Carbide (SiC) 8-inch advanced wafer fab. This joint effort marks a significant investment in the region's R&D and advanced semiconductor manufacturing capabilities. With J2 Semiconductor planning to invest a substantial amount of HK\$6.9 billion, the establishment of this advanced wafer fab aims to reach an annual production capacity of 240,000 SiC wafers by 2028, with a projected annual production value exceeding HK\$11 billion and creating over 700 job positions. The set up of this global R&D centre strives to improve Hong Kong's capabilities in third-generation semiconductor devices, advancing chip design and product development. This initiative promotes the city as the world's leading microelectronics hub, propelling new industrialisation and enhancing its role in the global semiconductor supply chain.

To advance the development of Hong Kong's new energy vehicle industry and support the city's mission to achieve net-zero emissions, HKSTP signed an MoU in September 2023 with Hozon New Energy Auto Co., Ltd. (NETA Auto) to establish operations at the Hong Kong Science Park. Relying on HKSTP's comprehensive support and infrastructure, NETA Auto will be transformed from a Chinese automobile manufacturer into a global technology company. The initiative includes the establishment of NETA Auto's international headquarters and an advanced R&D centre at the Science Park as the venture is projected to recruit over 600 research staff within five years, drawing more technology ventures and professionals to the automotive sector. This development aligns with the 'Hong Kong Innovation and Technology Development Blueprint' and HKSTP's mission to spur economic growth and create employment opportunities, reinforcing Hong Kong's critical role in facilitating the global expansion of Chinese enterprises.

The partnership between HKSTP and Contemporary Amperex Technology Co., Limited (CATL) is another pivotal development bolstering Hong Kong's new energy sector. CATL has committed to investing over HK\$600 million to establish its global headquarters and an R&D centre within the Hong Kong Science Park, aiming to employ 200 R&D specialists. As a leader in electric vehicle batteries production and electrochemical energy storage, CATL offers crucial expertise, enhancing local capacities in high-efficiency power systems and smart manufacturing of new energy products. The formalisation of CATL's facilities at HKSTP aims to foster a vibrant ecosystem for green technology innovation and green finance. This cooperation leverages HKSTP's advanced facilities and strong R&D capabilities and complements its existing focus on green tech and third-generation semiconductors, supported by a network of over 100 related companies.

Responding to the growing need for cybersecurity as Hong Kong adopts increasingly more advanced technologies, in December 2023, HKSTP has partnered with Qi An Xin Technology Group Co., Ltd. (QAX Group), an industry leader in cybersecurity services, to commission the new QAX Group International R&D Centre at the Hong Kong Science Park in enhancing terminal security, developing digital forensics capabilities, and providing managed security service operating platforms. Additionally, it will conduct network security technical research, develop cybersecurity testing and laboratories, and nurture talent through educational programs and cybersecurity competitions. These initiatives aim to advance technical capabilities and build a robust cybersecurity workforce.

With the development of Hong Kong as a smart city being one of the key strategic initiatives under the 'Hong Kong Innovation and Technology Development Blueprint', HKSTP has been catalysing smart city development through its strategic collaboration with Joyoung Co., Ltd. (Joyoung), a leading company based in Jinan, Shandong Province. This partnership exemplifies HKSTP's role in providing world-class facilities, research talent, laboratories, and a vast investor network, enabling access to global markets for mainland enterprises and paving the way for future economic and technological exchanges and cooperation between the cities.

## **FULL SPECTRUM SUPPORT FROM IDEA TO IMPACT**

HKSTP is committed to cultivating a new generation of global tech leaders through a comprehensive support programme. By providing comprehensive resources that includes funding, mentorship, and access to premier research and development facilities, these initiatives cater to startups at various stages of their growth journey, from conception to international expansion. HKSTP's strategic assistance is meticulously aligned with the specific needs of each developmental phase and the broader demands of the industry, positioning it as a central force in propelling local startups onto the global stage and establishing Hong Kong as a prominent international innovation and technology hub.

## **EMPOWERING ENTREPRENEURIAL ENDEAVOURS**

The Ideation Programme is a one-year pre-incubation initiative designed to substantially support tech-focused entrepreneurs in developing innovative business models. Over the past year, the Ideation Programme has admitted 702 startup units, marking a significant year-on-year increase of about 35%. Since its inception, the programme has produced a total of over 1,600 graduates, with more than 240 advancing to the next phases of the incubation programmes, while successful startups like Archireef and i2Cool illustrate the programme's effectiveness in fostering entrepreneurial success.

As an integral part of HKSTP's ongoing initiatives to support tech entrepreneurship, Techathon+ 2024, co-organised with ten local universities, and partnered with ten overseas institutions, saw record participation with 1,500 individuals and 248 teams. Over HK\$3 million in seed funding and extensive incubation support were granted to 30+ winning teams, positioning them for success in their entrepreneurial endeavours. Among them eight international teams decided to establish their companies in Hong Kong and subsequently joined the HKSTP Ideation Programme to explore the Hong Kong market and beyond.

## **ACCOMPLISHING FROM A MILESTONE TO ANOTHER**

The Incubation programme offers comprehensive support from an early stage with the 3-year programme tailored to equip startups with essential market know-hows and exclusive connection with our strong network of mentors, investors, business partners and potential clients and more.

Throughout the past year, 74 startups graduated from the Incubation Programme, with 69% choosing to continue their entrepreneurial journey in the ecosystem. The programme has attracted founders from 23 different economies and has supported these startups in raising HK\$62M during their incubation period. As of March 2024, 996 startups have successfully graduated from the Incubation programmes. Notably, a regular follow-up survey conducted since 2018-19 found that 90% out of 220 startups graduated for three years has remained active in three years' time; with four achieving IPO status since programme inception. Startups supported by the programmes have filed over 1,000 intellectual property applications and received more than 630 awards.

Multiple international awards were given in recognising achievement of our incubatees. At the Consumer Electronics Show (CES) 2024, two startups won the CES Innovation Awards: AI Guided Limited for their "GUIDi™ Smart Belt" in the "Accessibility and Aging Tech" category and Sitan Semiconductor International Co. Limited for their "0.13" micro-LED Display Module" in the "XR Technologies and Accessories" category. At the 2023 Hong Kong ICT Awards, Park companies including incubatees won 27 awards, including major categories like the Smart Mobility Grand Award, ICT Startup Grand Award, and Smart People Grand Award.

## STARTUPS CO-DEVELOPMENT

The Startups Co-development Programmes provide startup with prospects and pipelines to access to critical resources and opportunities of the ecosystem through leveraging expertise of co-development partners and collaborators.

Two joint programmes with AWS were launched in 2023 in providing customised support in technical training, business development and proof of concept development to enhance growth potential. Under “The Idea Launcher”, startups were provided up to US\$25,000 in cloud credits, innovation workshops, consulting and mentoring that benefited over 30 startups; and “The AI Cohort”, focusing on AI and machine learning that a total of 13 startups joined and later admitted to Incubation programme, demonstrating the combined strengths of HKSTP and AWS.

## SPARKING SUCCESS OF TECH VENTURES

The Acceleration Programme is instrumental in supporting high-potential startups with an allocation of HK\$4.8 million for each participant, the programme is designed to identify and encourage growth in promising startups and scaling their operations internationally. The reporting year has seen the portfolio enhanced by supporting 30 companies in achieving satisfactory results either by significant revenue growth or successful funding secured, raising HK\$300 million and developing new overseas markets in the Middle East, Europe, South America and Africa, spanning presence across 25 markets, and bringing the count of approved companies to a total of 98 with 12 startups newly admitted.

The success of the Acceleration Programme is further underscored by the widespread recognition and acclamation from the industry and the public with 6 portfolio companies received the 2023 Deloitte Hong Kong Technology Fast and Rising Star awards, which acknowledge young and fast-growing companies with significant potential in their respective sectors.

## SPOTLIGHT ON INNOVATION TRIUMPHS

The Elite Programme is designed to support companies that demonstrate unique technology, early business success, and a scalable, international-ready business model, offering up to HK\$21.5 million in support to each company. As of March 2024, the programme has accepted 47 enterprises, marking a 60% year-on-year increase in approved applications for the 2023-24 financial year. This strategic focus is crafted to support companies positioned for substantial growth and global impact with comprehensive support in navigating towards initial public offering (IPO) spanning from financial backing and access to fundraising opportunities for mergers and acquisitions, business development initiatives for product adoption, business matching and exposure through trade exhibitions and engagement with media, and infrastructure such as advanced equipment, software and laboratories, while also includes other professional services in risk management, intellectual property strategy, compliance, and operations.

During the financial year, the programme admitted 16 new companies, including IKAS, which provides AI-empowered smart manufacturing solutions for semiconductors, and Leapstack, a technology company focusing on health insurance risk control based on big data analysis, and expanding from the Chinese market to the ASEAN. Jumppoint, an AI-enabled logistics services platform, has become the number one provider in Hong Kong’s cold chain delivery service and is also expanding its reach across the Asian market.

The impact of the Elite Programme is evident through its participants. Immuno Cure BioTech, which joined the programme in 2024, is advancing its ‘PD-1 – Enhanced DNA Vaccine Platform’ and initiating clinical trials for its vaccine candidates. Great Bay Bio (GBB), admitted in May 2023, focuses on integrating AI with bioprocessing and has launched four innovative technology platforms since joining. Another participant, Floship, joined in November 2023 and specialises in logistics and supply chain management solutions, has leveraged HKSTP’s resources for financial support and strategic guidance, enhancing its operational capabilities and market reach.

The programme has seen thriving success among its companies, including Fano Labs, a home-grown RegTech AI company that has become a market leader in Hong Kong and is expanding its business in the ASEAN market. Cloud Light, a provider of advanced optical modules and sensors, was recently acquired by Lumentum to enhance data centre speed and scalability. BuyNship, a global cross-border eCommerce platform, has raised US\$10 million from the Cool Japan Fund in September 2023.

HKSTP is committed to continuously refining the Elite Programme, ensuring it remains a trusted support system for high-growth firms aiming to debut as challenging high-fliers on the international stage.

## **UNIFYING GLOBAL MINDS AND VISION**

HKSTP's strategic partnerships and international engagements have underscored its mission to foster a multilateral technology future. By facilitating collaborations between Hong Kong and global innovation leaders, HKSTP continues to drive advancements and business expansion opportunities forward.

## **SYNERGISING THROUGH STRATEGIC PARTNERSHIPS**

### **Annual Flagship**

HKSTP's flagship event Elevator Pitch Competition 2023 (EPIC 2023) marked a milestone in global participation in April 2023, with a record number of participants of over 610 startups from 55 countries, where Skyland Innovation emerged as the grand champion among the 50 semi-finalists presented to a panel of the region's top entrepreneurs and investors, as well as participated in the 'Grow Beyond Hong Kong' Immersive Programme where growth opportunities such as educational talks were offered to further integrate into HKSTP's extensive ecosystem. While the others benefited from embracing opportunities to directly connect with 1,000 investors and more than 300 corporate partners, the competition provided an unparalleled platform for expansion into the vast Asian market.

The success extended to EPIC 2024 hosting regional semi-finals in Silicon Valley, Stuttgart, Singapore and Hong Kong, where 74 startups from an initial pool of over 600 contestants overtaking the spotlight at the semi-finals, with 80% coming from 16 different economies abroad, marking the cohort predominantly international.

### **Proptech Alliance**

As part of enhancing its strategic collaboration initiatives to advance Smart Living and Smart Sustainability, HKSTP has partnered with Hysan Development Company Limited (Hysan) in November 2023 through the second cohort of Last-Mile Testing Programme (LMTP), a key initiative within The Community Lab to connect technology developers with end-users with a focus on refining start-ups' proof-of-concept (PoC) ideas and validating them in real-world business environments before full deployment. With the Demo Day highlighted three innovative startups: Albacastor Technology Limited, Immune Materials, and Palmeco Tech, and their demonstrated solutions that addressed distinct market needs: enhanced odor control in public spaces, improved community hygiene through innovative materials, and eco-friendly construction for temporary retail environments, the LMTP trials confirmed the market viability and alignment between the solutions and the core values of Smart Living and Smart Sustainability outlined in 'Hong Kong's Smart City Blueprint'.

HKSTP has also collaborated with the Construction Industry Council (CIC) to launch the inaugural ConTech Accelerator, Hong Kong's premier construction technology acceleration initiative, to bridge the gap between contractors and tech ventures with a Demo Day in August 2023 featuring 12 tech showcases and highlighting 10 confirmed proof-of-concepts (PoCs) and trial implementation, including video analytics provider Ailytics in Southeast Asia, whose solutions were adopted at nine local construction sites. This programme attracted 211 tailored solutions with 85.7% from local ventures and 14.3% from overseas, aimed to advance construction technology (ConTech) trials and adoption across various sites, improving safety, sustainability, and productivity in the construction industry.

### **Collaborating with the Government and Public Bodies**

Over the past year, HKSTP has actively engaged with various government departments to integrate advanced technological solutions into public services.

HKSTP and the Department of Health (DH) signed an MOU in August 2023 to leverage the latest I&T advancements to expedite the digitalisation of public health functions in addressing dynamic challenges of public health and supporting the government's smart city strategy. Both parties are committed to explore innovative solutions in health regulatory affairs, health protection, health promotion, health administration, and dental and clinical services over the next three years, aiming to cultivate an innovation-driven culture within the healthcare sector and enhance public health services by integrating advanced technologies such as artificial intelligence, the Internet of Things (IoT), and big data analysis.

Another MOU was signed in July 2023 with the Correctional Services Department (CSD) to support the sustainable development of the "Smart Prison" initiative. Over the next three years, HKSTP and CSD will focus on identifying market-proven solutions and facilitating regular exchanges between the CSD, the I&T industry, and academia, including a "Penal Lab" established within correctional facilities that enables real-world testing of tailor-made innovative solutions, and enhances operational efficiency of correctional facilities.

The collaboration between Hong Kong Police Force (HKPF) and Altai Technologies Limited (Altai), supported by HKSTP, launched the "Signal Radar" solution in June 2023 aimed at advancing emergency rescue capabilities in addressing complex societal challenges through technology, enabling rescuers to locate SOS signals in challenging terrains without relying on mobile network coverage. The solution has garnered international recognition, winning a Gold Medal at the 48th International Exhibition of Inventions of Geneva.

## **SHAPING THE DIGITAL LANDSCAPE**

HKSTP's role in shaping Hong Kong's digital landscape includes supporting data-driven innovation, nurturing technological talents, and driving cross-sector collaboration.

During the Hong Kong FinTech Week in November 2023, themed "FinTech Redefined", HKSTP showcased 30 technological innovations from sectors including AI and digital assets, Environmental, Social, and Governance (ESG), and regulatory technology (RegTech), enabling HKSTP to facilitate over 100 business matching sessions between startups and major corporations in banking, financial services, and insurance, panel discussions were led in exploring emerging business models and the potential of translating innovative data practices to traditional financial business landscapes, to align with HKSTP's strategy to enhance cross-industry collaboration and promote technology integration with current financial systems.

Partnership between HKSTP and G-Rocket Global Accelerator (G-Rocket) took place in July 2023 to refer 20 potential tech ventures into our ecosystem, with G-Rocket's expertise in assisting domestic and international companies in the fields of AI, big data, blockchain, robotics, fintech, and medtech, the collaboration creates an optimal environment for digital innovation to develop beyond the GBA and into the global digital landscape.

Demonstrating its commitment to the digital future, HKSTP co-organised a substage forum at the inaugural Hong Kong Web3 Festival 2023 on 12 April 2023, featuring discussions on the latest developments in AI and Web3, highlighting the transformative potential of AI and Web3 in redefining digital interactions, and underpinning HKSTP's strategic intent to position Hong Kong as a global centre for Web3-related technologies by supporting over 300 park companies as an illustration.

In September 2023, HKSTP partnered with the Hong Kong Insurance Authority (IA) to launch the Open Insurance API Platform, and the "Open Doors Open Finance" initiative, supported by the Hong Kong Association of Banks, the Hong Kong Federation of Insurers, and Hong Kong Monetary Authority (HKMA) at the same time, to stimulate the development of innovative fintech and insurance solutions with enhanced cross-industry collaboration and financial service experiences.

HKSTP has also partnered with the Hospital Authority (HA) in March 2023 to officially launch the Data Collaboration Lab that grants over 1,400 Park companies in the HKSTP ecosystem and their partners access to anonymous clinical data from HA's database, which includes information on approximately 200,000 patients for non-academic R&D purposes, with stringent security measures in place removing all personal identifiers to maintain patient anonymity and to ensure data security and privacy. Designed to ignite life-changing biomedical and healthcare innovations, and ultimately enhancing the quality and capacity of healthcare in Hong Kong, the Lab provides a comprehensive infrastructure to support data access, allowing the collaboration to represent a significant milestone in HKSTP's ongoing efforts to foster enhanced data-driven collaboration across hospitals, academia, and industry.

HKSTP joined forces with the Common Spatial Data Infrastructure (CSDI) and Geospatial Lab in November 2023 to provide insight on the relationship between spatial data and business decisions with the "Location Matters: Empowering Business and Community with Spatial Data" event, recognising the ability to analyse and utilise geospatial data is essential in today's data-centric environment, and exploring on the integration of an additional 200 location-based APIs made accessible for the public to an array of data resources such as population characteristics, community facility distribution, building data and address standardisation solutions.

In January 2024, HKSTP and Radio Television Hong Kong (RTHK) launched a three-year Smart Broadcasting partnership to create a data-driven ecosystem that promotes cross-sector innovation. This initiative integrates RTHK's extensive historical broadcasting data with HKSTP's Digital Living Lab, enhancing data sharing and driving technological advancements. Additionally, the partnership facilitates extensive data collaboration, providing HKSTP Park companies access to RTHK's historical data, which is expected to aid in training Cantonese abilities of AI models and developing new technologies, potentially spurring breakthroughs in arts, culture, and entertainment and significantly contributing to Hong Kong's digital transformation.

In March 2024, HKSTP supported the Hong Kong Monetary Authority's (HKMA) initiative to develop a Wholesale Central Bank Digital Currency (wCBDC) to facilitate secure and efficient interbank settlements. This collaboration focuses on building a wCBDC sandbox that positions Hong Kong as a leader in the asset tokenisation arena, which is expected to be a foundational platform for testing and developing innovative financial solutions that can be scaled globally. Crucial in ensuring integrity, security and compliance of data within the tokenised asset ecosystem, the project leverages data service innovations from HKSTP and rigorous data governance standards from HKMA to establish protocols in maintaining public trust and the credibility of digital currencies.

## LIFETECH ADVANCEMENTS

Over the past year, HKSTP has actively enhanced the biotechnology sector by capitalising on Hong Kong's internationally recognised research capabilities in biotechnology and the life and health sciences through strategic partnerships with global academia and industry leaders in I&T and the development of advanced laboratory infrastructure. These initiatives have expedited R&D commercialisation addressing medical needs and fostering the advancement of healthy living, by converting biomedical research into commercially viable products and services, aiming for global accessibility.

### BIOTECH BREAKTHROUGHS: FROM LAB TO MARKET

In June 2023, Prenetics and Prof. Dennis Lo, both rooted and rallied at the Hong Kong Science Park, launched a joint venture of US\$200 million, Insighta, to transform early cancer detection technologies, primarily targeted at liver and lung cancer, with the particularly high mortality rates in the region. By being the largest private life sciences deal in Hong Kong's history, the joint venture facilitates the transition from scientific research to commercial viability.

In November 2023, the Hospital Authority (HA) connected 27 Park companies and over 200 HA leaders with the 'HKSTP x HA Innovation Forum', to facilitate support in the integration of technology-driven solutions into Hong Kong's healthcare system, and to align with the HA's strategic goals of developing a 'Smart Workforce' in achieving 'Smart Care', thereby advancing the development of smart hospitals.

HKSTP's specialised platform Clinical Translational Catalyst (CTC) Programme provides comprehensive support at pre- and early clinical stages to biomedical companies including Immuno Cure, its collaboration with the University of Hong Kong and Gleneagles Hospital in launching a Phase IIa clinical trial for a DNA vaccine against COVID-19 shaped potential strategies against infectious diseases and cancer treatment.

Also supported by the CTC programme, HighTide Therapeutics' initial public offering (IPO) in December 2023, the development of its treatment in tackling metabolic and digestive diseases recognised by the Food and Drug Administration (FDA) in the United States, and the set-up of local clinical trial sites, reflected the city's capabilities in facilitating multi-regional studies and advancing new therapy development.

In May 2023, the collaboration between HKSTP and the LKS Faculty of Medicine at the University of Hong Kong (HKUMed) marks another step with the opening of the HKUMed Laboratory of Cellular Therapeutics with the GMP facility for manufacturing of advanced therapy products (ATPs) also is at the same time, a training platform for scientists and clinicians, towards reflecting HKSTP's commitment to establishing Hong Kong as a leader in biomedical technology, while advancing cell and Gene therapy development.

In June 2023, HKSTP and The Chinese University of Hong Kong (CUHK) opened the Advanced Therapy Products (ATP) Good Manufacturing Practice (GMP) Centre at the Hong Kong Institute of Biotechnology Limited (HKIB) with facilities designed to expedite the development of cell and gene therapies (CGT), by offering flexible manufacturing solutions without significant capital investment, the centre supports the translation of scientific discoveries into biomedical innovations.

In October 2023, HKSTP partnered with WuXi XDC to establish a contract research, development, and manufacturing organisation (CRDMO) value chain in Hong Kong, providing Park companies access to WuXi XDC's integrated bioconjugate platform, accelerating the development of Antibody Drug Conjugates (ADC) and other bioconjugates as the initiative aims to enhance training and collaboration between industry and academia in facilitating translation of research into market-ready products.

In April 2023, the strategic partnership between HKSTP and AstraZeneca, a leading pharmaceutical company, focuses on strengthening Hong Kong's healthcare innovation landscape by supporting startup companies through the HKSTP co-incubation programmes and facilitating connections with hospitals and universities, and positioning Hong Kong and the GBA as leaders in life science innovation. The multidimensional collaboration marks a milestone for HKSTP and a life science corporation committing to technology and data sharing.

Establishing state-of-the-art facilities is a critical platform for R&D and fosters collaborations that bridge local and international scientific and commercial entities. A collaborative initiative between HKSTP, Shanghai Pharmaceuticals Holding Co., Ltd. (SPH), and its subsidiary SPH INNO, "01LABS@Hong Kong" opened in January 2024, with a 14,000-square-foot co-incubation space dedicated to advancing research in gene and cell therapy, autoimmune diseases, anti-ageing, and other novel therapies. The lab is a product of the ongoing Hong Kong/Shanghai Cooperation Conference mechanism, now in its 21st year, and represents a strategic enhancement of the biotechnological capacities of both cities.

HKSTP welcomed Forever Cheer Holding Limited (Forever Cheer Holding) to establish an Asia-Pacific Neuroscience Research and Translation Centre within the Park in November 2023. Specialising in neuroscience and the development of pain management drugs, the inclusion of the company in the ecosystem is part of a broader effort to strengthen local clinical trials and research capabilities, aligning with policy initiatives aimed at enhancing Hong Kong's life and health technology sector.

Another notable development is MGI Tech Co. Ltd. (MGI) opening its  $\alpha$ Lab in September 2023, integrating AI in biotechnological research, supporting advancements in gene sequencing and precision medicine as a part of MGI's strategy to expand its R&D footprint globally and accelerate biotechnological development in the GBA, automating and digitising the entire research process from sample extraction to data analysis, addressing traditional lab inefficiencies and freeing researchers to focus on higher-value scientific inquiries with streamlined processes.

The Simcere 'Hong Kong Collaborative Innovation Center' opening at the Hong Kong Science Park in December 2023 signifies a substantial contribution to the growth of the biomedical sector in the GBA and beyond, supporting rapid advancements in pharmaceutical R&D and nurturing a more collaborative and innovative environment within the region. By utilising local scientific expertise and access to international markets, this centre will focus on four key therapeutic areas: oncology, central nervous system disorders, autoimmunity, and anti-infection, aiming to tackle some of the most pressing health challenges today by accelerating drug development processes and facilitating accelerated translation of research into therapeutic solutions.

HKSTP is actively committed to expanding the biotech and healthcare sectors through partnerships formed among the industry. The strategic alliance of HKSTP with Sirnaomics Ltd., a leading biopharmaceutical company, along with its subsidiaries RNAimmune and EDIRNA, was underscored by Sirnaomics' official relocation to Hong Kong Science Park in September 2023. The partnership aims to leverage Sirnaomics' expertise in RNAi therapeutics and utilise Hong Kong's advantages in enhancing connections with the mainland market, and is supported by HKSTP's Clinical Translational Catalyst programme, which funds clinical trials that bring research breakthroughs to practical application. This strategic move reflects Hong Kong's ongoing commitment to fostering innovation and improving healthcare outcomes.

## INNOHK

### SHAPING TOMORROW: FROM VISION TO VALUE

InnoHK Research Clusters (InnoHK), funded and initiated by the Hong Kong Special Administrative Region (HKSAR) Government, capitalises on Hong Kong's concentration of top researchers, international connections, and policy support in establishing Hong Kong as a hub for global research collaboration. The initiative involves two research clusters located at the Hong Kong Science Park: Health@InnoHK focusing on healthcare technologies, and AIR@InnoHK dedicating to AI and robotics. During the reporting year, HKSTP hosted 28 research centres under InnoHK, supporting over 2,500 scientists and researchers from seven local universities and over 30 global technological institutions.

Throughout the year, HKSTP has continued to support InnoHK's research centres by offering world-class facilities, technical support, and empowering growth with business opportunities, ensuring that Hong Kong remains a prime destination for researchers and innovators worldwide.

The InnoHK Summit 2023 was held in December 2023 by the Innovation and Technology Commission (ITC) and HKSTP, in gathering over 800 academics, scientists and industry professionals from around the world in highlighting the contributions of the research centres within the AIR@InnoHK and Health@InnoHK clusters, showcasing the latest challenges and developments of artificial intelligence and life science breakthroughs, discussing application and commercialisation strategies of R&D outcomes, and reinforcing Hong Kong's role as a pivotal hub for international research collaboration.

Committed to support InnoHK in facilitating translation of research into practical applications, HKSTP, Lenovo Group and the Hong Kong Centre for Logistics Robotics (HKCLR) under AIR@InnoHK signed a collaboration agreement last year, to cultivate and incubate the next generation of young scholars and entrepreneurs in helping to bring transformative breakthroughs to the world through robotics and AI technologies.

A partnership agreement signed in September with the Centre for Advances in Reliability and Safety (CAIRS), established by The Hong Kong Polytechnic University and The University of Maryland, College Park, focuses on providing vital testing and pilot-at-scale capabilities to microelectronics and advanced manufacturing startups, while emphasises third-generation semiconductors and 3D System in Package (SiP) support in electric vehicles, 5G technology, and smart manufacturing in Hong Kong and the GBA.

An MoU signed between the Hong Kong Centre for Construction Robotics (HKCRC) and the Housing Bureau leverages robotics and AI to transform public housing construction and address the city's housing crisis by enhancing construction efficiency and safety, while showcases HKSTP's strategic focus on deploying innovative technologies to address critical social challenges.

AIR@InnoHK continues to push the boundaries of AI applications in public services. The Centre for Perceptual and Interactive Intelligence (CPII) has signed an MoU with RTHK to introduce advancements in leveraging AI technology for public broadcasting services and facilitating the application of research findings in various sectors.

Health@InnoHK is making significant strides in healthcare technologies by collaborating with leading international institutions to address pressing global health challenges for patients and the healthcare systems worldwide over the past year, focusing on areas such as medical diagnostics, therapeutic innovations, and health data analytics.

Themed 'Age Smarter with Hub of Gerontech,' the 7th Gerontech and Innovation Expo cum Summit (GIES 2023) featured the largest HKSTP pavilion's exhibition to date with seven R&D centres from InnoHK made their inaugural participation, joining 43 Park companies to showcase innovations across seven categories: rehab, cognitive care, fall prevention, health monitoring, screening, sensory aids, and service support, and encourage collaboration beyond the healthcare system to improve the wellbeing of the elderly and caregivers in making an age-friendly city.

Supported by InnoHK funding, the Microbiota I-Center (MagIC) at CU Medicine has developed the MOZAICTM technology, significantly enhancing clinical outcomes of Faecal Microbiota Transplantation (FMT) for patients suffering from recurrent *Clostridioides difficile* infection under the Hospital Authority (HA).

In April 2023, the 'Fighting Cancer through Innovations' event, co-organised by the Centre for Novostics (Novostics) and HKSTP, brought together over 90 experts to discuss advanced methodologies that are reshaping cancer treatment, while emphasising the significance of early detection as a critical public health strategy, particularly in addressing Nasopharyngeal Carcinoma (NPC), aligning with Head and Neck Cancer Awareness Month.



In August 2023, the Centre for Eye and Vision Research (CEVR) and Aier Eye Hospital Group Co., Ltd. solidified their commitment to advancing translational vision research through an agreement signed to mark a strategic collaboration in enhancing the standard of eyecare treatments and services locally and internationally, and combining CEVR's cutting-edge research with Aier's extensive network of over 800 clinics and hospitals, which targets to transform laboratory discoveries into impactful commercial applications for individuals with vision-related conditions and leading vision research and technology development.

Preparations are underway for the launch of a third InnoHK research cluster, which will focus on advanced manufacturing, materials, energy, and sustainable development, with HKSTP poised to continue its support in driving innovation that propels sustainable growth and addresses environmental concerns.

## INVESTMENT AND GROWTH

### INVESTMENT IGNITION: POWERING THE FUTURE OF TECH

At HKSTP, we strive to support our partners' success. Leveraging our vast network of over 1,000 investors, we strategically match promising companies with funding opportunities tailored to their growth stage and potential. HKSTP Venture Fund co-invests on a co-investment basis with private funds in companies that are currently located in the Science Park or have participated in its incubation and acceleration programmes. It serves as a catalyst to attract co-investments from venture capitalists worldwide to propel innovation. Through our keen foresight and follow-through, we assist our partners in securing capital and strategic investments to transform new possibilities into global solutions. HKSTP Venture Fund is on a mission to contribute to Hong Kong's I&T ecosystem. In 2023, an additional HK\$400 million was injected into the fund by HKSTP, boosting the total amount to HK\$1 billion. Established in 2015, HKSTP Venture Fund has invested in 31 tech ventures with a total investment of approximately HK\$400 million, attracting some HK\$12.6 billion of private investment (at a ratio of 1:32).

### NETWORK-DRIVEN CAPITAL: CONNECTING INNOVATORS WITH INVESTORS

Since the financial year 2023-24, a total of HK\$12 billion was raised by Park companies; and as of 31 March 2024, 15 companies have gone public. HKSTP supports tech businesses to showcase their distinctive potential to global markets. By facilitating connection within Hong Kong, across the Greater Bay Area, and internationally, HKSTP helps companies extend their reach worldwide. Science Park is currently home to six locally-founded unicorn companies – Cirina, Cornerstone Robotics, Lalamove, Smartmore, where Sensetime and Xcelom are now moved on to be listed in Hong Kong. Our efforts are contributing to Hong Kong's realisation of its potential as a leading player in I&T. Funding achievements, including some of the most sizeable amounts (around US\$100 million) raised in the year, further underscore the importance of supporting our Park companies to grow. In October 2023, Cloud Light Technology was acquired for US\$750 million by Lumentum, the US listed networking equipment company. Lumentum's acquisition offers Cloud Light Technology access to a broader sales network in North America and a manufacturing facility in Thailand, enhancing the company's ability to diversify its geographical presence. Cornerstone Robotics (raised around US\$110 million) will be used to accelerate new products development, clinical trials, registration and launch of the surgical robot and globalisation. Arthroxi Therapeutics (raised US\$75 million) will accelerate the development of AR882 and other groundbreaking drugs in Western countries and in Asia. Besides, two Park companies, Hightide Therapeutics and UBTECH Robotics, conducted initial public offerings (IPOs) and went to the public in Hong Kong during the financial year 2023-24.

Venture Investment Connect, HKSTP's fundraising acceleration programme that provides intensive fundraising advisory and investment matching for high potential start-ups and enterprises. Selected companies with funding readiness enjoy priority access to HKSTP delegations in local and overseas financing roadshows and exhibitions. In financial year 2023-24, 21 tech companies raised HK\$1.23 billion through the programme. The online fundraising platform provides an avenue for technology companies to showcase their fundraising plans and attract investment from target investors such as angel funds and institutional investors. A total of 300 projects were shortlisted to present to investors in the financial year 2023-24.

## **INNOFACTURING TOMORROW**

### **HARNESSING TECHNOLOGY FOR HONG KONG'S GROWTH**

HKSTP and its InnoParks have made significant strides in transforming the industrial landscape of Hong Kong, aligning with the HKSAR Government's vision for new industrialisation by advancing the concept of 'Innofacturing' in attracting high value-added, high technology content and advanced manufacturing enterprises to land in Hong Kong, HKSTP is driving new industrialisation in the region with initiatives that also generate new opportunities for young talent.

### **MICRO-E**

Innofacturing also ignites economic growth in Hong Kong by enabling advanced manufacturing technologies to boost high-value industries such as microelectronics. Emphasising the importance of establishing a robust Microelectronics Ecosystem in Hong Kong to spur economic growth, technological innovation, industry collaboration, talent development, and global recognition, HKSTP has seen a significant increase in its microelectronics ecosystem with more than 200 microelectronics and chip and device companies now active within the ecosystem with comprehensive microelectronics infrastructure and capabilities to supporting the full cycle from concept to product launch. Facilities such as the Sensor Packaging and Integration Laboratory (Sensor Lab), Heterogeneous Integration Lab (HI Lab), Microelectronics Centre (MEC), Hardware Lab, and ProShop provide end-to-end support spanning design, prototyping, and pilot production. The MEC in Yuen Long InnoPark is scheduled to open for tenant occupation in the second half of 2024, further solidifying HKSTP's role in accelerating microelectronics research, development, and production.

To spur the development of the industry, the co-organised "HKSTP x HKUST x Infineon Microelectronics Ecosystem Conference" in August 2023 united industry, academic, and research sectors to the showcase of over 40 Park companies, HKUST spin-offs, and Infineon partners highlighting Hong Kong's diverse strengths in microelectronics and applications, particularly in smart mobility, healthcare, and new energy, and the conference to mark the first anniversary of the strategic co-incubation programme between HKSTP and Infineon, which provides theme-based training, lab resources, and technical expertise to emerging microelectronics ventures.

## **INNOPARKS**

Transformation of the three industrial estates in Yuen Long, Tai Po, and Tseung Kwan O into 'InnoParks' has been marked by a series of strategic initiatives and events throughout the year, emphasising HKSTP's commitment to support the development of the manufacturing sector in Hong Kong, aligning with the government's direction towards new industrialisation.

The "Innofacturing Mixer" in August 2023 featured three insightful fireside chats where industry experts shared their experiences and strategies for leveraging disruptive technologies on promoting advanced manufacturing.

Discussions covering health tech, food tech, and aerospace technology, providing attendees with practical insights into how advanced manufacturing can enhance product development and competitiveness, while an I&T Bazaar showcasing homegrown solutions underscoring the diverse, innovative capabilities nurtured within InnoPark.

Professor Sun Dong, Secretary for Innovation, Technology, and Industry, visited Tai Po InnoPark and toured Nissin Foods, CATALO Natural Health Group, and Vita Green Pharmaceutical Factory in October 2023, observing the prominent local companies enhancing their production capabilities through smart manufacturing and cutting-edge technologies, such as AI, to improve their production models, efficiency, and capacity.

In November 2023, Legislative Council (LegCo) members visited the enterprises at InnoParks specialising in smart logistics, aerospace satellite design, and intelligent security product manufacturing. A tour to Vita Green's smart production line fused health tech production with enhanced capacity, and the opening of Profit Royal's manufacturing plant, marked a milestone in advanced manufacturing processes, while NASK NANO demonstrated global competitiveness in nanofiber technology, the Advanced Manufacturing Centre (AMC) exemplified the development of high value-added, high technology content and advanced manufacturing industries made contribution to Hong Kong's diversified economy available with state-of-art facilities.

Following the conclusion of a judicial review case concerning data centre operations at Tseung Kwan O InnoPark, HKSTP has since stepped up its enforcement measures through onsite inspection and review of relevant documents to intensify its commitment to ensuring that operations of lessees at InnoParks comply with the relevant terms, and continue to actively and rigorously monitor the operations of our lessees to ensure such compliance, where breaches of lease are confirmed, appropriate actions would be taken in accordance, including the taking of formal legal proceedings, while enforcement actions are reviewed and updated regularly to increase transparency and accountability of our actions.

## GREEN TECH REVOLUTION

### LEADING THE CHANGE IN SUSTAINABLE SOLUTIONS

In reinforcing its commitment to sustainability, HKSTP has cultivated a robust green tech ecosystem comprising over 150 green tech ventures. This ecosystem is designed to foster continuous green innovation and investment, thereby promoting sustainability through partnerships and initiatives.

HKSTP unveiled during the “Green is Action” event of its Net-Zero 2045 Vision in June 2023, establishing HKSTP as the first statutory body in the city to commit to achieving net-zero emissions by 2045, five years ahead of the carbon neutrality target in 2050 under the “Hong Kong’s Climate Action Plan 2050”, and in consistent with the guidelines of the Science Based Targets initiative (SBTi), which provides globally recognised frameworks for setting corporate net-zero targets based on climate science and the Paris Agreement.

A delegation to the UN Climate Change Conference (COP28) in Dubai was sent for the first time in providing a global platform for seven Park companies to showcase their Green tech solutions in the Middle East market while highlighting Hong Kong’s leadership and potential in green innovation, and engaging leaders from the UAE’s private and public sectors on the transition to low-carbon technologies, including meeting with key entities, such as the Ajman Chamber of Commerce, the UAE Ministry of Economy, the Sharjah Research, Technology, and Innovation Park (SRTIP), and the Abu Dhabi-based accelerator, Catalyst.

On the local front, HKSTP participated in InnoCarnival 2023 under the theme “Go Smart! Go Tech! Go Green!” to showcase the latest green innovation of fifteen Park companies, complemented by workshops, sharing sessions and the HKSTP Pavilion featured four display zones: “Climate Quest”, “An Interactive Green Journey”, “Green Technology Showcase”, and “Green Lab”, providing an immersive experience to incorporate cutting-edge green tech solutions into daily life. At the same time, ten Park companies joined the Eco Expo 2023, showcasing solutions such as water-based production method and recycling process for lithium-ion batteries and decarbonisation technology.

At the Global Construction Sustainability Forum & Exhibition 2023 (GCSFE 2023), HKSTP reaffirmed its sustainability mission with a showcase of innovation by Park companies, and introduced its “Green in Prop+Con” programme, garnering support from over 50 corporate partners and organisations to accelerate the innovation journey of green tech, creating an ecosystem that connects key stakeholders across the building life cycle, and promotes the broader adoption of green innovation and alignment with the 2050 carbon neutrality goals as set out in Hong Kong’s Climate Action Plan.

HKSTP’s commitment to nurturing green tech ventures extends beyond success of the corporation to the ecosystem, as one of its Park companies, GRST Holdings (GRST), won the prestigious Earthshot Prize 2023 in the “Clean Our Air” category with its innovative approach to producing and recycling lithium-ion batteries that significantly reduces greenhouse gas emissions, in which exemplifies the potential of green technology to address global environmental challenges.

## PHILANTHROPY IN ACTION

HKSTP recognises that philanthropy evolves alongside technological advancements and is committed to collaborating with partners and tech-savvy donors, and harnessing emerging technologies contributing to a greener future and improving societal well-being through advancement of sectoral adoption of technologies.

A landmark event in advancing philanthropy was the launch of the “Beyond Dreams” I&T Talent Nurturing Programme, a five-year initiative backed by a generous donation of HK\$100 million from the CR Charitable Foundation in December 2023. Marking a significant milestone as the first major philanthropic partnership, the programme is designed to inspire young talent by providing immersive hands-on training and corporate work experiences, thereby fostering a positive perception of I&T and encouraging participation in the ecosystem. The programme also offers internship opportunities in the Science Park to university students with an aim to expand the local I&T talent pool, providing students with valuable industry experience and enhancing their career prospects in the technology sector.

## CULTIVATING A THRIVING TECH CULTURE

HKSTP continues to cultivate a thriving I&T culture through its holistic 'Work. Live. Play. Learn'. approach in nurturing local and international talent, startups, and established companies, fostering collaboration and idea exchange with its integrated and interconnected infrastructure, and enabling a diverse range of startups and enterprises across various disciplines and technologies to state-of-the-art facilities, resources, and support networks with a seamless blend of work and leisure, where amenities such as the Clubhouse offers exclusive access to fitness and wellness facilities, including classes and workshops for leisure, events during festivals, and refurbishments to continue emphasizing the balance between work and life within the Park.

### WORK. LIVE. PLAY. LEARN.

Events throughout the year such as the inauguration of InnoCell at Kowloon West in October 2023 and the reception in January 2024 welcoming its first batch of around 40 residents amplified the notion. The establishment of InnoCell at Kowloon West highlights the critical need for additional accommodation to attract international talent and complements the existing InnoCell at Science Park, which has been operational since 2021 and recorded a 95% occupancy rate in the previous year. Approximately 700 bed space from both locations combined are equipped with advanced amenities, including smart living technologies, fitness centres, recreational areas, and collaborative spaces, designed to support more than residential needs for I&T professionals to excel. As of March 2024, over 2,000 innovators from 41 economies have found a home in InnoCell, representing an average occupancy of 82% altogether for both locations, significantly contributing to Hong Kong's vibrant I&T ecosystem.

The Smart Campus Challenge: Robots Everywhere, launched in June 2023, showcased the integration of advanced technologies into everyday scenarios, with the Demo Day event in December 2023 convened over 200 representatives from the property management, real estate, and hospitality sectors and served as an opportunity for scenario validation to assess the real-world performance of various robotic solutions, aiming to boost operational efficiency and safety within the Park.

The "Happy Hong Kong" Bazaar @ Science Park, held in August 2023, attracted over 100,000 visitors to an interactive experience consists of more than 180 "Innofactured in Hong Kong" products, AI-generated "I&T anthems", AR-enabled "Smile Spots", STEAM workshops, and the "Innofacturing Mixer", further promoting the "Innovated, designed, and made in Hong Kong" concept to industrialists and the public with a series of fireside chats.

The launch of "Furtopia" in October 2023 marked the introduction of the first pet garden at Science Park, building on the success of the Pet-friendly Pilot Programme initiated in 2022, and extends the welcoming culture to pets and their owners, providing an amicable and inclusive environment for the I&T community to balance livelihood and leisure.

In March 2024, the second City I&T Grand Challenge engages the broader community in addressing urban challenges through technology, offering an invaluable platform for participants to bring their visionary I&T solutions to fruition with the theme 'Hong Kong's Got I&T', and focus areas being "I&T for Nature (Yama)" and "I&T for Community (Community Wellness)", encouraging solutions that improve the operation and management of country parks and campsites, and enhance hikers' experiences in nature, as well as enhance support for caregivers that resonate with the goal of driving applications of I&T solutions for the benefit of the general public.

HKSTP's approach to community building also includes SPARK, a membership community that connects over 15,000 innovators facilitating collaboration and inspiration through various programmes, including R&D support, fundraising acceleration, and investment matching events to ensure each innovation journey stays supported.

The HKSTP Experience Centre highlights achievements of the Corporation and its affiliates with the space opened to potential investors, industry partners, and the public. In May 2023, it successfully attracted 13,000 visitors with new exhibits, including ones that President Xi reviewed during his Science Park visit. These developments underscore the Centre's role in illustrating innovation's impact on society, promoting sustainable practices among its visitors, and aligning with its broader strategy to create a supportive ecosystem for startups and enterprises by facilitating collaboration among businesses, academia, and community partners.

## KEEP UP AND WAY FORWARD

During the reporting year, HKSTP reinforced its role as a key driver of Hong Kong's innovation and technology (I&T) ecosystem. The advent of the "Keep Up" initiative encourages the tech community to engage in continuous progress and adaptability, as the call to action emphasises the importance of maintaining a forward-looking approach in an ever-evolving technological landscape.

Efforts include spotlight over Stage 2 of the Science Park Expansion Programme, a key initiative that supports the growth and diversification of the park's ecosystem. With Batch 1 of Stage 2 of the Science Park Expansion Programme (SPX2a) set to be completed within 2025, this development adds approximately 13,000 square metres of space, primarily for wet laboratories, in aligning with HKSTP's mission to facilitate the transition of R&D outcomes to market-ready solutions and enhance the I&T environment.

The Microelectronics Centre (MEC) is designed to support a comprehensive range of R&D activities, from design to pilot production, aiming to advance semiconductor development and enhance Hong Kong's position in the microelectronics sector. Offering approximately 38,580 square metres of gross floor area equipped with advanced facilities, including high-spec cleanrooms and a Quality Control and Reliability laboratory. Facilities such as lightweight workshop and co-working space in the MEC are expected for tenant occupation in 2024. The installation of relevant specialised facilities in the pilot scale production facility is expected to be completed in 2025.

In advanced manufacturing, HKSTP is evaluating the refurbishment of existing buildings to increase advanced manufacturing space within InnoParks, in attracting key enterprises and promote industrial innovation, and ensuring Hong Kong remains competitive in the global technology sector.

The establishment of the Hong Kong Science Park Shenzhen Branch marks a strategic move to facilitate early engagement for organisations and enterprises keen to tap into the vast opportunities within the GBA since its official opening in September 2023, and on the other hand, to boost Mainland China companies in exploring the global market. The Shenzhen Branch would continue to be actively expanding its community, focusing on sectors such as microelectronics, healthcare, AI & big data, robotics, fintech, new materials and sustainability. The branch currently harbours infrastructure for the expansion of I&T enterprises, and for leading technological advancements and future innovations with the ongoing support from local Governments of both cities, leveraging the innovation potential of the GBA.

## OUR FOOTPRINT

### HONG KONG SCIENCE PARK

The largest R&D community offers about 400,000 square metres of gross floor area in 23 buildings, providing not only office space but also communal laboratories equipped with advanced infrastructure, software platforms and a professional network of innovators, academics and investors to support R&D. Batch 1 of Stage 2 of the Science Park expansion programme is underway and will be able to house more wet laboratories by the first quarter of 2025.

### INNOPARKS

Tai Po, Tseung Kwan O and Yuen Long InnoParks are home to tech-driven facilities for large-scale production, with respective focuses. Tai Po InnoPark, including Precision Manufacturing Centre (PMC) and MARS Centre, primarily hosts companies in the areas of food manufacturing, media services, lifestyle goods and medical supplies; Tseung Kwan O InnoPark including the Data Technology Hub and AMC specialises in the production of both heavy industries and lighter commercial manufacturing and services related to information technologies; while Yuen Long InnoPark caters to a wide range of industries, from pharmaceuticals and biomedical, to microelectronics with the establishment of MEC, the InnoParks contribute to a common goal of accelerating the development of innoufacturing.

### INNOCELL

InnoCell is a co-creation space for sparking collaboration among I&T talents at the Science Park. Designed to perfectly balance aesthetic and function, InnoCell at Science Park, and the addition of InnoCell at Kowloon West in partnership with Weave Living, offer shared spaces that encourage greater interaction and collaboration among likeminded talent, creating a genuine sense of community and inspiring one another for a positive impact.

### INNOCENTRE

Conveniently situated in Kowloon, InnoCentre is an integral part of our I&T ecosystem, with cutting edge amenities as an extension of our FinTech and Green Tech-focused visions. We offer the highest level of convenience for startups and enterprises alike, housing three co-working spaces exclusively for our current incubatees and incubation programme graduates.

### THE COMMUNITY LAB BY HYSAN DEVELOPMENT AND HKSTP (THE COMMUNITY LAB)

The Community Lab was set to connect start-ups with resources and business networks for start-ups to succeed and in support of the Smart City Blueprint. The collaboration provides the grounds for its wide-ranging audience of tech ventures to testdrive their products and concepts at the heart of Hong Kong.

### HKSTP@WHEELLOCK

The HKSTP@Wheellock Gallery is a joint initiative orchestrated by HKSTP and Wheelock Properties Limited (WPL) in providing a conducive environment for nurturing tech startups, with a 6,000 square foot space located in Admiralty, the Gallery is designed to stimulate interactions, innovations, and investment, and to encourage business opportunities through networking and mentoring for startups.

### HONG KONG SCIENCE PARK SHENZHEN BRANCH

Hong Kong Science Park Shenzhen Branch is opened in 2023 to leverage the distinct advantages of the two cities within the Shenzhen-Hong Kong Innovation and Technology Co-operation Zone (the Co-operation Zone), establishing “one zone, two parks”, and further the growth of the I&T scene as a medium among the GBA, the 31,000 square metres of space provides office space, laboratories, co-working spaces, MICE (Meeting, Incentive, Convention and Exhibition) venues, and park amenities, as well as business matching and technical support.

### HONG KONG-SHENZHEN INNOVATION AND TECHNOLOGY PARK LIMITED (HSITPL)

Hong Kong-Shenzhen Innovation and Technology Park Limited (HSITPL) is a wholly owned subsidiary of HKSTP, responsible for the superstructure, operation, maintenance and management of the Hong Kong-Shenzhen Innovation and Technology Park, the Hong Kong Park in the Co-operation Zone provides relevant higher education, cultural and creative industries, and other complementary facilities to develop a key base for cooperation in scientific research, with unprecedented opportunities for the development of I&T in the GBA made available to attract top-tier institutions of R&D, academia, and enterprises worldwide.

## **THE CORPORATION**

## **CORPORATE INFORMATION**

### **HEAD OFFICE**

5/F, Building 5E  
5 Science Park East Avenue  
Hong Kong Science Park  
Pak Shek Kok, New Territories  
Hong Kong  
Telephone: (852) 2629 1818  
Fax: (852) 2629 1833  
Website: [www.hkstp.org](http://www.hkstp.org)

### **INNOCENTRE OFFICE**

Unit 604D, 6/F, InnoCentre  
No. 72 Tat Chee Avenue  
Kowloon Tong  
Hong Kong  
Telephone: (852) 2629 0162  
Fax: (852) 2778 4782

### **INNOPARKS OFFICE**

Tai Po INNOPARK  
Tel/Fax: (852) 2665 6755

Tseung Kwan O INNOPARK  
Tel/Fax: (852) 2623 9619

Yuen Long INNOPARK  
Tel/Fax: (852) 2479 0224

### **PRINCIPAL BANKER**

Standard Chartered Bank (Hong Kong) Limited

### **SOLICITORS**

Deacons  
King & Wood Mallesons  
Lau, Horton & Wise LLP  
Mayer Brown  
Morgan, Lewis & Bockius  
Pang & Associates  
Wilkinson & Grist  
Withers  
Zhong Lun Law Firm LLP

### **AUDITOR**

BDO Limited



## THE BOARD

The list of directors during the financial year and up to the date of this Annual Report was set out in page 43 of this Annual Report under the Directors' Report.

### BOARD COMMITTEES

#### Business Development and Admission Committee (BDAC)

Dr. Sunny CHAI Ngai Chiu, SBS, BBS, JP (Chairman)  
Professor Stephanie MA Kwai Yee (Vice-Chairman)  
Mr. Eugene CHAN Yu Ching  
Ms. Jennifer CHAN Pui Kwan  
Mr. Herbert CHIA Pun Kok, JP  
Ms. Angel NG Yin Yee  
Hon Elizabeth QUAT, SBS, BBS, JP  
Ms. Phoebe TSE Siu Ling  
Permanent Secretary for Innovation, Technology and Industry or his/her alternates

#### Finance and Administration Committee (FAC)

Mr. Dennis HO Chiu Ping (Chairman)  
Ms. Phoebe TSE Siu Ling (Vice-Chairman)  
Mr. Donald CHOI Wun Hing, JP  
Ir HON Chi Keung, GBS, JP  
Mr. Daryl NG Win Kong, SBS, JP  
Dr. Philip ZHAI Pu  
Permanent Secretary for Innovation, Technology and Industry or his/her alternates

#### Projects and Facilities Committee (PFC)

Mr. Donald CHOI Wun Hing, JP (Chairman)  
Ir HON Chi Keung, GBS, JP (Vice-Chairman)  
Mr. Eugene CHAN Yu Ching  
Professor Stephanie MA Kwai Yee  
Mr. Daryl NG Win Kong, SBS, JP  
Hon Elizabeth QUAT, SBS, BBS, JP  
Dr. Samson TAM Wai Ho, JP  
Permanent Secretary for Innovation, Technology and Industry or his/her alternates

#### Investment Committee (IC)

Mr. Conrad CHAN Che Chung (Chairman)  
Ms. Jennifer CHAN Pui Kwan  
Mr. Dennis HO Chiu Ping  
Hon Elizabeth QUAT, SBS, BBS, JP  
Dr. Samson TAM Wai Ho, JP  
Dr. Philip ZHAI Pu  
Permanent Secretary for Innovation and Technology or his/her alternates

#### Audit Committee (AC)

Hon Jimmy NG Wing Ka, BBS, JP (Chairman)  
Mr. Conrad CHAN Che Chung  
Mr. Eugene CHAN Yu Ching  
Mr. Herbert CHIA Pun Kok, JP  
Mr. Dennis HO Chiu Ping  
Permanent Secretary for Innovation, Technology and Industry or his/her alternates

#### Senior Staff Administration Committee (SSAC)

Dr. Sunny CHAI Ngai Chiu, SBS, BBS, JP (Chairman)  
Mr. Donald CHOI Wun Hing, JP  
Mr. Dennis HO Chiu Ping  
Ir HON Chi Keung, GBS, JP  
Ms. Angel NG Yin Yee  
Permanent Secretary for Innovation, Technology and Industry or his/her alternates

#### Remarks:

Mr. Donald CHOI Wun Hing retired from PFC, FAC and SSAC on 30 June 2024.  
Mr. Herbert CHIA Pun Kok retired from BDAC and AC on 30 June 2024.  
Mr. Dennis HO Chiu Ping retired from FAC, IC, AC and SSAC on 30 June 2024.  
Hon Jimmy NG Wing Ka retired from AC on 30 June 2024.

#### Updates with effect from 29 July 2024:

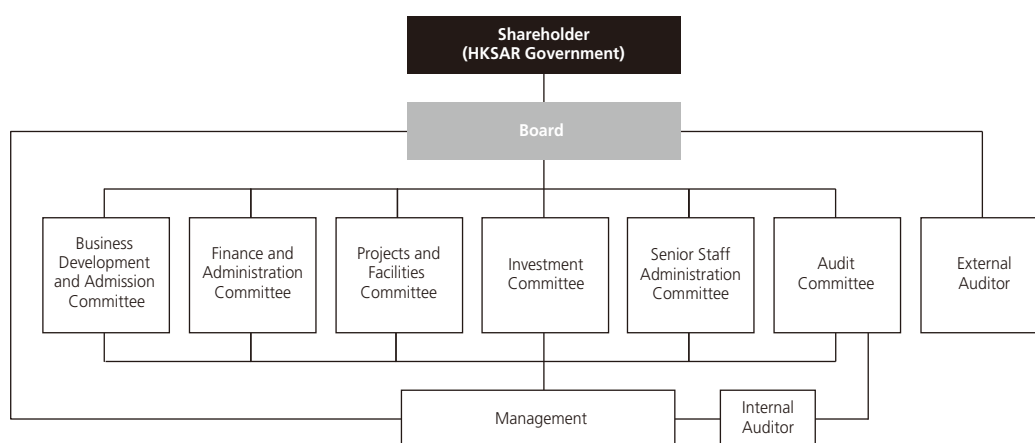
Ms. Dilys CHAU Suet Fung joined FAC and AC.  
Ms. Susanna HUI Hon Hing joined BDAC, IC and SSAC.  
Mr. Timothy Leung Chi Pong joined BDAC and FAC.  
Hon Eunice YUNG Hoi Yan joined PFC and AC.

## CORPORATE GOVERNANCE REPORT

Hong Kong Science and Technology Parks Corporation (the "Corporation") is a statutory body incorporated under the Hong Kong Science and Technology Parks Corporation Ordinance, Chapter 565, laws of Hong Kong (the "HKSTPC Ordinance"). We strive to attain and maintain high standards of corporate governance best suited to the needs and interests of the

Corporation and its subsidiaries and conduct our business according to prudent commercial principles. The Corporation has made reference to the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "CG Code") in so far as they are applicable in achieving the purposes as set out in the HKSTPC Ordinance. We believe transparency, accountability, fairness and ethics are the foundation on which we build trust and work with all our stakeholders for the benefits of Hong Kong.

### CORPORATE GOVERNANCE STRUCTURE



### THE BOARD

The Board is the governing body of the Corporation. It is responsible for formulating overall values, strategic directions and policies of the Corporation and overseeing management of the business to ensure that the purposes, values and strategies of the Corporation align with its culture.

The Board adopts an open and inclusive culture in the conduct of its affairs that is conducive to constructive views and healthy debate among Board Members and HKSTP's management team. The Board also upholds a strong sense of civic responsibility and public accountability over the manner in which funds are applied by HKSTP so as to ensure that they are properly expended for the ultimate goal of benefitting the I&T ecosystem of Hong Kong and, in turn, the Greater Bay Area ("GBA"). The Board also places great emphasis on HKSTP taking a leading role in promoting and implementing environmentally sustainable practices with the ultimate goal of achieving net zero in the near future.

As at 31 March 2024, the Board comprised 17 non-executive directors including the Chairman and 16 Board Members, of which 5 Board seats were held by female. The Chairman is appointed by the Chief Executive of the HKSAR Government, and the Board Members are appointed by the Financial Secretary. All Board Members are appointed without honorarium, generally for a two-year term and subject to re-appointment upon expiry of their terms. Each Board Member has a duty to act in good faith in the best interests of the Corporation. Members are aware of their collective and individual responsibilities to the HKSAR Government, being the sole shareholder of the Corporation, for the manner in which affairs of the Corporation are managed, controlled and operated.

### BOARD COMPOSITION

Board Members come from varied but relevant backgrounds with a wide range of skills, experiences and expertise, originating from Legislative Council Members, academia, industry, finance, investment, trading, property and professional services provider. All Board Members are independent and non-executive directors which ensure that independent views and inputs are available to the Board. One of our Board Members, the Permanent Secretary for Innovation, Technology and Industry, is a public officer. Biographical details of the Board Members are contained on the website of the Corporation (<http://www.hkstp.org>).

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

The roles and responsibilities of the Chairman of the Board and the Chief Executive Officer of the Corporation (“CEO”) are distinct and separate, enhancing independence and accountability.

The non-executive Chairman is responsible for leading the Board to formulate overall strategic directions and policies of the Corporation. While encouraging Board Members to make full and effective contribution to the discussions at Board meetings, he leads and facilitates the exchange of views on issues among Board Members in an effective manner.

The CEO is appointed by the Board as a remunerated full-time employee of the Corporation, and is responsible for leading the management team and staff members of the Corporation in day-to-day operations and implementing strategies as determined by the Board.

## **INDUCTION PROGRAMME**

Newly appointed Board Members are invited to attend an induction programme which consists of a meeting with the CEO and the management team followed by a visit to major facilities of the Corporation to familiarise themselves with the objectives, business plan and operations of the Corporation.

Board Members are also provided with a Director’s Manual which consists of constitutional documents of the Corporation and its committees, key policies and guidelines of the Corporation. Members are made aware of their responsibilities in managing and monitoring the affairs of the Corporation, and the importance of always acting in good faith and in the best interests of the Corporation.

## **KEEPING MEMBERS UP TO DATE**

To keep Members abreast of the updated knowledge and skills as to corporate governance, a Board training session on “Corporate Governance Update” hosted by the PricewaterhouseCoopers (“PwC”) was arranged for the Board on 28 March 2024 to share common risks of corruption, anti-corruption laws and guidelines on managing conflict of interest and preventing misconduct in public office.

## **DECLARATION OF INTERESTS**

Board Members are required to declare their proprietorships, partnerships and/or directorships of local and overseas public and/or private companies, as well as paid jobs, offices, trades, professions or vocations and interests in shareholdings in any public or private companies on an annual basis. They are also required to inform the Company Secretary within 14 days of any changes. A register of Board Members’ declarations of interest is made available for public inspection upon request.

## **CONFLICT OF INTEREST**

The HKSTPC Ordinance under which the Corporation was incorporated requires Members to declare their direct or indirect interests in any contracts or proposals considered by the Board or its Committees. Those with any conflict of interest must withdraw from the approval process. Board Members are made aware that they should avoid entering into any business contract with the Corporation in their personal capacity as a matter of principle. Also, they should not be personally involved in the bidding process or in the supply of goods or paid services. Where it is unavoidable that a Member will bid for a contract with the Corporation in his or her personal capacity, he or she should adhere to the guidelines on managing possible conflict of interest stipulated in the Guide to Handle Corporate Governance Matters of the Corporation. To further enhance governance within the Corporation, guidelines on managing conflict of interest and preventing misconduct in public office issued by the Hong Kong Independent Commission Against Corruption was also shared with the Board.

## **WHAT THE BOARD DOES**

The Board of Directors formulates strategic direction, oversees implementation of strategic plan and approves the annual budget, corporate key performance indicators, 10-year financial projection, as well as major development and redevelopment projects. It monitors the overall performance of the Corporation and ensures that effective controls are in place to manage potential risks. It also approves the appointment of external auditors and their remuneration during the period under review. It met six times during the year with an average attendance rate of 90%.

The Chairman maintains close contact with the Permanent Secretary for Innovation, Technology and Industry, the Commissioner for Innovation and Technology as representatives of the sole shareholder of the Corporation, and the Chairmen of the Board Committees, as well as meeting regularly with the CEO and the management team to review strategic issues, business plans and future development.

## **COMPANY SECRETARY AND PROFESSIONAL ADVICE**

All Board Members have access to the advice and services of the Company Secretary who is appointed by the Board and reports to the Chairman and the CEO. The Company Secretary is accountable to the Board for ensuring that the Board procedures are followed and Board activities are efficiently and effectively conducted. To this end, the Company Secretary facilitates the Board and Management to adhere to Board processes as updated from time to time, and the provision of sufficient information to the Board by Management. In addition, procedures are in place to enable Directors to seek independent professional advice at the Corporation’s expense on matters relating to their roles and responsibilities.

## RESPONSIBILITY FOR ACCOUNTS

The Directors acknowledge their responsibility for ensuring that the preparation of the annual accounts of the Corporation is in accordance with statutory requirements and applicable accounting standards. The Directors are assisted by the Finance and Administration Committee and the Audit Committee in discharging their responsibilities for overseeing the Corporation's financial reporting process. The statement of the auditors of the Corporation about their reporting responsibilities is set out in the Independent Auditors' Report on page 45 of the Report of Directors and Financial Statements.

## BOARD COMMITTEES

The Board oversees six standing Committees:

- Business Development and Admission Committee
- Finance and Administration Committee
- Projects and Facilities Committee
- Investment Committee
- Audit Committee
- Senior Staff Administration Committee

Terms of Reference of the Committees set out the functions, duties and membership of the Committees. These Committees are accountable to the Board for their recommendations and decisions. Mechanism is in place to report recommendations and decisions made by the Committees to the Board.

Attendance records of each individual member of the Board of Directors are shown on page 28 of this Report.

## BUSINESS DEVELOPMENT AND ADMISSION COMMITTEE

The Business Development and Admission Committee ("BDAC"), chaired by Dr. Sunny Chai, provides advice and guidance to the Corporation on its overall business strategies in fulfilling the purposes of the Corporation under HKSTPC Ordinance.

## FINANCE AND ADMINISTRATION COMMITTEE

The Finance and Administration Committee ("FAC"), chaired by Mr. Dennis Ho, monitors and oversees the finance and administrative aspects of the Corporation's operations and make appropriate recommendations to the Board. It mainly focuses on reviewing and providing advice and guidance and approving the finance and administrative aspect of the relevant business initiative being presented. This includes, but not limited to impact on the Corporation's budget, cash flow, long-term financial projection, headcount, information technology security and operational efficiency.

## PROJECTS AND FACILITIES COMMITTEE

The Projects and Facilities Committee ("PFC"), chaired by Mr. Donald Choi, oversees and monitors the capital works projects, policies and initiatives in respect of safety, health and environment and facilities management services. It approves or recommends to the Board on capital works related matters (including new development, re-development) to be undertaken by the Corporation and the modality for facilities management services, including but not limited to master development plan, programme and design, development budget, facilities provisions, procurement strategy and award of contracts for capital works, facilities management and related consultancy services.

## INVESTMENT COMMITTEE

The Investment Committee ("IC"), chaired by Mr. Conrad Chan, oversees and monitors the investment policies and initiatives which possess or will potentially possess equity or equity-linked investment elements, as well as results and outcome of the same. It approves the annual key performance indicators in relation to the investment initiatives, and also recommends to the Board on the annual budget of the investment initiatives. It approves the incorporation of investment-related subsidiary companies of the Corporation. It also approves the formation and terms of reference of sub-committees and panels that oversee specific investment initiatives. [Note: the IC was chaired by Ms. Cordelia Chung during the period of 1 April 2023 to 30 June 2023.]

## AUDIT COMMITTEE

The Audit Committee ("AC"), chaired by The Hon. Jimmy Ng, oversees the internal audit function and considers the appointment, re-appointment and removal of the external auditor, the scope of service and the audit fee. It reviews findings set out in both the internal audit reports and external auditor's management letters and Management's responses to them, and monitors the implementation of agreed actions. It also reviews the annual audited accounts, significant accounting policies, corporate governance practices, financial controls, internal controls and risk management systems to ensure compliance with recognised standards and achieving continuous improvement. It met with the external auditors and Senior Director, Internal Audit without Management's presence and conducted a self-evaluation of its effectiveness and concluded that its performance was effective.

## SENIOR STAFF ADMINISTRATION COMMITTEE

The Senior Staff Administration Committee ("SSAC"), chaired by Dr. Sunny Chai, oversees human resources related issues of executive level staff which includes CEO and Chief Officers of the Corporation. It is responsible for the selection, appointment, contract renewal and termination, annual performance and remuneration package review and disciplinary actions of the relevant staff. Another key function of SSAC is to provide recommendations on appointment, remuneration package, contract renewal and termination of CEO to the Board for review and approval. In addition, it considers appeals from all executive staff, Human Resources policy changes of other staff members; and any other topics as defined by the Board.

## TASK FORCE FOR SPECIFIC PROJECTS

Various task forces are set up on a need basis to handle specific projects and initiatives, for example the task forces for projects development (such as the Sector-Specific Task Force for the Micro-electronics Centre). Experts in the related industries would be appointed as co-opted members to provide valuable experience and expertise to the task forces on a need basis.

## SUB-COMMITTEES

Two sub-committees including the Corporate Venture Fund Investment Committee ("CVF-IC") and the Equity Committee were established under the purview of IC. Meetings of these committees are held on a need basis. The CVF-IC, chaired by Dr. Samson Tam, approves Corporate Venture Fund ("CVF") investments and divestments and oversees the operations of the CVF whereas the Equity Committee, chaired by the CEO, decides on all matters in relation to the issuance of any call options and any other financial instruments with respect to Acceleratee. During the year, ten CVF-IC meetings had been held with an average attendance rate of 84% and the Equity Committee approved matters via paper circulation. [Note: the CVF-IC was chaired by the CEO during the period of 1 April 2023 to 9 October 2023.]

## MEETING PROCEDURES

The Board and Committees convene meetings on a regular basis, with special meetings held as and when necessary. The HKSTPC Ordinance provides that at a meeting of the Board, all questions shall be decided by a majority of votes of the Members present.

Management circulates agenda and papers seven days prior to meetings in general (during the period from 1 April 2023 to 31 March 2024, 71% of the meeting papers and materials were circulated seven days prior to meetings). Board or Committee papers are not issued to Members who have conflict of interest in the matters to be discussed in the relevant meeting.

The Company Secretary records the major points of discussions, recommendations, decisions and action items arising from the meetings. Committee decisions, as recorded on the meeting minutes, would be shared with the Board on a regular basis. Outstanding matters are followed up by the relevant divisions and progress updates are reported at subsequent meetings.

## MEETING ATTENDANCE

The Board assumes the responsibility of ensuring each Member has spent sufficient time to engage in the affairs of the Corporation and make contributions to the Corporation that are commensurate with their role and Board responsibilities.

A summary of meeting attendance of Board Members in meetings of the Board and Committees for the financial year from 1 April 2023 to 31 March 2024 is provided in the following table.

BOARD MEMBERS	MEETINGS	Board of Directors	BDAC	FAC	PFC	IC	AC	SSAC
Dr. Sunny CHAI Ngai Chiu		6/6	5/6	–	–	–	–	5/5
Permanent Secretary for Innovation, Technology and Industry <sup>4</sup> or his/her alternates		6/6	6/6	4/4	6/6	3/3	3/3	5/5
Mr. Conrad CHAN Che Chung		6/6	–	–	–	3/3	3/3	–
Mr. Eugene CHAN Yu Ching (Appointed on 1 July 2023) (Joined BDAC, PFC and AC on 17 August 2023)		5/5	4/4	–	4/4	–	2/2	–
Ms. Jennifer CHAN Pui Kwan (Appointed on 1 July 2023) (Joined BDAC and IC on 17 August 2023)		5/5	4/4	–	–	2/2	–	–
Mr. CHEN Shuang (Retired with effect from 30 June 2023)		0/1	–	0/1	–	0/1	–	–
Mr. Herbert CHIA Pun Kok		5/6	5/6	–	–	–	3/3	–
Mr. Donald CHOI Wun Hing		4/6	–	2/4	6/6	–	–	3/5
Ms. Cordelia CHUNG (Retired with effect from 30 June 2023)		1/1	1/1	–	1/1	1/1	–	3/3
Mr. Dennis HO Chiu Ping		6/6	–	4/4	–	3/3	3/3	4/5
Mr. Kent HO Ching Tak (Retired with effect from 30 June 2023)		1/1	–	0/1	–	1/1	–	–
Ir HON Chi Keung (Appointed on 1 July 2023) (Joined PFC and FAC on 17 August 2023) (Joined SSAC on 27 September 2023)		5/5	–	3/3	4/4	–	–	1/1
Prof. Stephanie MA Kwai Yee		6/6	4/6	–	5/6	–	–	–
Dr. Kim MAK Kin Wah (Retired with effect from 30 June 2023)		1/1	–	–	1/1	–	1/1	–
Mr. Daryl NG Win Kong		4/6	–	2/4	5/6	–	–	–
Ms. Angel NG Yin Yee		4/6	4/6	–	–	–	–	5/5
Hon Jimmy NG Wing Ka		5/6	–	–	–	–	3/3	–
Hon Elizabeth QUAT		6/6	6/6	–	6/6	3/3	–	–
Dr. Samson TAM Wai Ho		6/6	–	–	6/6	3/3	–	–
Ms. Phoebe TSE Siu Ling		5/6	5/6	4/4	–	–	–	–
Dr. Philip ZHAI Pu (Appointed on 1 July 2023) (Joined FAC and IC on 17 August 2023)		5/5	–	3/3	–	2/2	–	–
Average Attendance Rate		90%	86%	79%	96%	95%	100%	90%

<sup>4</sup> All the Committee meetings including BDAC, FAC, PFC, IC, AC and SSAC were attended by the alternates of Permanent Secretary for Innovation, Technology and Industry on his/her behalf.

## MANAGEMENT AND STAFF

Under the leadership of the CEO, Management and staff are responsible for managing the Corporation's day-to-day operations and implementing strategies as determined by the Board. They must comply with the Corporation's Employee Code of Conduct and apply prudent commercial principles as required under the HKSTPC Ordinance.

## ETHICAL BEHAVIOUR AND CULTURE

The ethical behaviour of the Corporation is well defined in the Employee Code of Conduct, which is reviewed on a regular basis. It covers issues such as prevention of bribery, acceptance of gifts and advantages, entertainment, conflict of interest, misconduct in public office, handling of confidential information and preservation of secrecy, outside engagement, financial, operational and administrative transactions, intellectual property, discrimination and harassment, and compliance with prevailing personal data privacy laws and guidelines. All new employees are requested to acknowledge their understanding of the Employee Code of Conduct upon their commencement of duty, while all existing staff members are reminded on the importance of the Employee Code of Conduct on an annual basis or as when required.

The Corporation regularly organises relevant ethical training for employees. ICAC is invited to provide regular seminar on the prevention of bribery and conflict of interest to employees whilst Equal Opportunity Commission (EOC) is invited to conduct regular seminars on the Anti-discrimination Laws of HK. 3 ICAC sharing sessions on "Anti-Corruption Webinar" were conducted in August 2023 to January 2024 for new and existing employees. 2 EOC sharing sessions "Managing with Equality: Best Practices in Anti-Discrimination" for Managerial Staff and 2 EOC sharing sessions "EOC Introduction to the Anti-Discrimination Laws of Hong Kong" for General Staff were conducted from May to July 2023. All staff are also required to complete "Act with Integrity" mandatory e-learning within probation period on compliance-related subjects.

## INTERNAL CONTROL AND RISK MANAGEMENT

The Corporation maintains a high standard of corporate governance, transparency and accountability. The system of internal controls has been designed to provide reasonable assurance to the Board regarding the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with relevant laws and regulations.

Management has put in place a Whistleblowing Policy whereby employees and external parties may raise concerns, in strict confidence, about possible improprieties in financial reporting or other matters. Information on this policy can be found on the Corporation's website.

With the help of the internal audit function, Management performs an annual review of the Corporation's internal control system in accordance with the COSO (the Committee of Sponsoring Organizations of the Treadway Commission) framework as recommended by the Hong Kong Institute of Certified Public Accountants. The COSO framework comprises five main components: control environment, risk assessment, control activities, information and communication, and monitoring. The review is designed to assess, at a high level, the risks associated with the key processes and the effectiveness of the controls in mitigating those identified risks. Independent verification of the effectiveness of controls in details is performed by the internal audit function.

Risk management is an integral component of the Corporation's corporate governance. The Corporation has put in place a risk management framework. Details of the risk management framework, the key risks and the key mitigations are described in the Risk Management Report on pages 38 to 40.

During 2023/24, the Board, through the Audit Committee, has conducted a review and assessment of the effectiveness of the risk management and internal control systems of the Corporation and was satisfied with the effectiveness of the Corporation in managing risks based on the risk management report and the result of internal control review.

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

## **INTERNAL AUDIT**

The internal audit function was established as part of the on-going commitment on the part of the Board and Management to improve the Corporation's corporate governance. The internal audit function reports directly to the Audit Committee. It plays an important role in monitoring the Corporation's internal governance and provides objective assurance to the Board that sound risk management and internal control systems are maintained and operated by Management.

Using risk-based methodology, internal audit function plans its work schedule in consultation with, but independent of Management; and the audit plan is submitted to the Audit Committee for approval.

Independent reviews of financial, business and functional operations and activities are conducted with audit resources focusing on the higher risk areas. Audit findings and recommendations arising from different assignments are reported to the respective heads of divisions for action, and internal audit function follows up with the implementation of the agreed actions. Significant issues are brought to the attention of the Audit Committee and the Board.

## **EXTERNAL AUDIT**

The Board of Directors appointed BDO Limited ("BDO") as the external auditor of the Corporation and its subsidiaries (the "Group") for the financial years from 2020/21 to 2022/23 on 14 December 2020, succeeding KPMG after its 5-year tenure with the Group. On 22 March 2023, the Board of Directors reappointed BDO for another two years for the financial years from 2023/24 to 2024/25. The external auditor plays an important role in reviewing the truth and fairness of the financial statements as well as ensuring the financial statements are free from material misstatements. The external auditor meets with the Audit Committee at least twice a year to discuss the scope of the audit (prior to commencement of work) and to report findings. The Audit Committee reviews each year a statement from the auditors confirming their independence and objectivity and discusses with the auditor the scope and appropriate fees for any non-audit services requested by the Corporation. The Audit Committee and Management are responsible for ensuring that the external auditor is not engaged by the Corporation on any other assignments that may compromise the external auditor's independence.

For the year ended 31 March 2024, the auditor's remuneration in respect of audit services provided for the Corporation and its subsidiaries was HK\$1,701,131 and other audit service was HK\$80,000.

## **DELEGATION OF AUTHORITY**

The authority of the Board and the levels of authority delegated to the Committees and the Management are clearly defined and documented in the Schedule of Delegated Authorities ("SDA"). An annual review of SDA was conducted during 2023 and some changes in the approval authorities were made to reflect the matters approved by Board/Committees to further enhance operational efficiency while maintaining appropriate control.



## CORPORATE GOVERNANCE PRACTICES

Section 7 of the HKSTPC Ordinance provides that the Corporation shall conduct its business according to prudent commercial principles. Although the Corporation is not required to comply

with the CG Code, we have made reference to it and voluntarily complied with the code provisions in so far as they are applicable in conducting our business and achieving the purposes as set out in HKSTPC Ordinance, except those which are set out in table below.

Principles of Good Corporate Governance/ Code provisions/Mandatory Disclosure Requirements		Reason for deviation and corresponding measure
Part 2 – C.1.4	All directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The issuer should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.  Note: Directors should provide a record of the training they received to the issuer.	All directors of the Corporation are appointed by the Chief Executive/Financial Secretary of the HKSAR Government who are elite in their fields of profession and possess adequate and updated knowledge and skills. The Corporation provided relevant information or invited all directors to events and programmes which enriched their knowledge including governance in relation to public office, as well as updated corporate governance developments to facilitate the discharge of their Director's duties. Reading materials of the events and programmes were shared with directors. Please refer to the paragraphs "Keeping Members Up to Date" and "Conflict of Interest" on pages 25 to 25 of this Report for details of relevant information provided by the Corporation, as well as events participated by the directors during 2023/24.
Part 1 – Section B	To provide transparency, issuers must include the following information for the accounting period covered by the annual report and significant subsequent events for the period up to the date of publication of the annual report, to the extent possible:  how each director, by name, complied with C.1.4.	
Part 2 – A.7.1	For regular board meetings, and as far as practicable in all other cases, an agenda and accompanying board papers should be sent, in full, to all directors. These should be sent in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or other agreed period).	For board and committee meetings held during 2023/24, 4% of the total number of meeting papers and materials was dispatched less than 3 days before the meetings. Management would abide by the timeliness of paper distribution as far as applicable to provide the Board with reasonable time to review papers prior to the meetings.

## TRANSPARENCY

The Corporation reports annually to the Permanent Secretary for Innovation, Technology and Industry the remuneration arrangements for the top two tiers of senior management, including the CEO and Chief Officers.

For purposes of full transparency, the annual emoluments of the Corporation's five highest paid employees are disclosed under note 9 to the financial statements on page 68 of the Report of the Directors and Financial Statements.

The attendance of Directors at meetings is reported on page 28 of this Report.

## COMMUNICATION

The Corporation is dedicated to fostering a dynamic I&T ecosystem by advancing R&D and driving commercialisation through effective communication and stakeholder engagement. The Corporation utilises a versatile, multi-channel communication approach, encompassing social media, website content, promotional campaigns, mobile app, and emails, HKSTP upholds transparency, foster collaboration, and encourages knowledge exchange through forums and conferences.

The Corporation also actively participated in and organised significant international stakeholders events, including press conferences, product and services launches and exhibitions. These events offer excellent opportunities to connect with global business leaders and I&T stakeholders thus fostering engagement within the global marketplace.

Signature endeavours that captured media attention include the seventh edition of Hong Kong's flagship and largest pitching contest, the 'Elevator Pitch Competition (EPIC)', held in April 2023. The inaugural participation of the Hong Kong SAR Government's Guest of Honour, affirmed the event's rising prominence on the global stage. This high-level engagement was complemented by strongly supported by key sponsors, underscoring the collaborative efforts between major industry players and the innovation community. The event also witnessed a substantial increase in global participation, with 618 applications received from 58 economies, as innovators and entrepreneurs worldwide responded to the call to shape the future of technology in Hong Kong.

The 'Happy Hong Kong' Bazaar @ Science Park attracted over 146,000 visitors across during a ten-day period, offering immersive innovation and technology showcasing advanced 'Innofacturing' products, and gastronomic tech delights, complemented by various interactive and visually appealing activities. This event marked a highlight in the series of 'Happy Hong Kong' events organised by the Hong Kong SAR Government.

Additionally, HKSTP spearheaded global outreach initiatives alongside partner companies to Paris and Saudi Arabia, creating pathways for Park companies to showcase Hong Kong's technological narrative on the global stage, fostering mutual prosperity through international expansion. Participation in events such as LEAP 2024 in Saudi Arabia and the Consumer Electronics Show 2024 in Las Vegas facilitated the presentation of the latest local R&D innovations to a global audience.

At the annual Chinese New Year luncheon, HKSTP celebrated past achievements and unveiled strategic initiatives for the upcoming year, emphasising global engagement and local innovation through upcoming events and partnerships to propel innovation and technology growth in Hong Kong. The event served as a platform to address critical topics such as sustainability, talent development, philanthropic support for innovation, and upcoming Innovation Mixer events aimed at fostering networking and collaboration, showcasing pioneering solutions that have earned acclaim both locally and internationally.

## DIGITAL AND SOCIAL MEDIA

We have continued to enhance our content strategy throughout the year through collaboration with various social influencers and content creators. Notably, in November 2023, we partnered with "Pomato", a top 20 YouTube creator in Hong Kong, to produce a video tour of the Calbee HK factory at Tseung Kwan O InnoPark, significantly boosting our digital presence and elevating the "Innovated, Designed, and Made in Hong Kong" label.

In January 2024, we expanded our creative outreach by partnering with Ztoryteller, a premier storytelling and creative studio in Hong Kong. Together, we launched the InnoCell at Kowloon West campaign, which included producing two neighbourhood guide maps and several artist stories, highlighting our "Work. Live. Play. Learn." culture and further enriching our content offerings.

In addition, our adoption of cutting-edge technologies extends to both content creation and visitor engagement. In October 2023, we adapted generative AI for website and social post creation, teaming up with Tattler Hong Kong to develop an AI-generated story series. This series introduced 28 visionary innovators from InnoPark who are the trailblazers of "Innofacturing Tomorrow". Additionally, to enhance visitor engagement and provide immersive experiences, we introduced the TV Wall at Building 10W of Hong Kong Science Park. This innovative feature displays immersive promotions, detailed event information, and showcases various success stories and innovations within the Park's ecosystem.

Our communication strategy extends beyond traditional platforms. At the same time, we continue to engage audiences on HKSTP's corporate website, mobile app, and across social media platforms such as LinkedIn, YouTube, Facebook, and Instagram, achieving an overall impression count of over 100 million. We have also extended our reach to the Mainland Chinese market, including establishing our official WeChat channel, which regularly features articles that promote our signature events, partner companies, ecosystem stories, and the newly established Shenzhen Branch, further solidifying our presence and commitment in the region.

## CARING COMPANY

Being a responsible corporate citizen, we are committed to embracing corporate social responsibility through giving, mentoring and caring for the employees and the environment. This is the sixteen consecutive years that the Corporation has been recognised as a caring organisation under the Hong Kong Council of Social Service Caring Company Scheme and is accredited to be one of the "15 Years Plus Caring Organisation", and three staff have been honoured as "Caring Ambassador" awards in recognition of their significant contributions in corporate community involvement programmes. The Corporation is dedicated to driving different kinds of social responsibility initiatives to build a sustainable society together. In 2023, a Corporate Social Responsibility (CSR) Team was established with the mission of serving the community. Throughout the 2023/24 period, over 80 HKSTP staff and family members contributed more than 330 volunteer hours to our CSR activities.

## HUMAN RESOURCES DEVELOPMENT AND COLLABORATION

The Corporation recognises that our people is the foundation of our success and we are committed to helping our staff members develop their capabilities and competencies at the Corporation. The development objectives are to achieving operational excellence to stretching individual's ability to excel the leadership potentials for building the Hong Kong Innovation & Technology Ecosystem. The training programmes we have arranged included leadership and management skills training such as "Leadership from Inside-Out" programme, "Strategic Communication and Interpersonal Skills"; professional & technical skills training such as "Business Analytic by Excel and PowerBI", "Negotiation & Selling", "Effective Professional Technical & Report Writing" and "The Art of Storytelling in Business Presentation". The first cohort and second cohort of the Leadership Development Programme tailored for functional team leaders have been completed and launched in February 2023. 7 regular knowledge sharing sessions "Lunch & Learn" were organised to expand the learning horizon in a more relaxing and interactive manner.

The Corporation also emphasizes staff communications and engagement as a means to keep the staff members moving towards the common objectives and work as a team collaboratively. Town Hall Meeting is arranged regularly to share the Corporation's directions, appreciate success and exchange interesting stories. "CEO Message to All Staff" is also sent on a monthly basis to cascade key messages from the Management. In addition, engagement activities such as festive celebrations, Core Values reinforcement activities and awards, sustainability tours were organised to boost staff morale and team spirits. 6 sport teams were also established to promote a sense of unity and healthy life-style of employees.

As a key player in shaping the future of I&T, the Corporation actively engages young graduates through various initiatives and programmes. The flagship "Talent Power Up – I&T Career Expo 2024" attracted over 6,000 talents and showcased over 3,000 job vacancies from over 300 park companies. Additionally, the Corporation continues the partnership with The Hong Kong Jockey Club Charities Trust in the "JC PROcruit C" programme, providing 85 first-time job seekers with placement opportunities and career training in 2023/24.

To broaden the local talent pipeline, the Corporation launched the first-ever "Summer Talent Fest". which provides internship placements, training, and networking opportunities to over 300 local and global university students to develop an international I&T talent community. We also actively partnered with organisations across multiple sectors to expand Hong Kong's I&T talent ecosystem. This includes collaboration with the Home and Youth Affairs Bureau on the "Youth Start-up Internship Programme 2024" which offers 3 to 6-month internships at HKSTP start-ups to over 100 university students, and partnership with China Resources Group to launch the "Beyond Dreams" I&T Talent Nurturing Programme, providing university students with hands-on training and work experience; and the partnership with the Federation of Hong Kong Industries to participate in the "Strive and Rise Programme" organised by the Social Welfare Department, planting the I&T seed among secondary school students.

The Corporation actively connects talent globally to establish Hong Kong as international I&T hub. We launched the "Innovation Mixer", starting with visits to Singapore and Malaysia that attracted over 200 Southeast Asian candidates for recruitment campaigns with 8 of our Strategic Partner Companies, resulting in 10 employment offers. We also embarked on a US West Coast Tour, including a reception co-presented with the Hong Kong Economic and Trade Office, as well as career forums and networking events to Stanford University and UC Berkeley to engage over 300 US talents and promote internship, career and entrepreneurial opportunities at the park. To build on the success of the "Global Internship Programme" last summer, the corporation collaborates with more top global universities, including Stanford University, the National University of Singapore, University College London, Tsinghua University and Columbia University, etc, to select high-calibre students from over 1,000 applications to experience internship journey in Science Park, aiming to attract them to Hong Kong's I&T sector upon graduation. In line with the Top Talent Pass Scheme, the Corporation actively organises non-local recruitment events, with 600 eligible talents participating and nearly 100 were hired by Science Park-based companies. The Corporation also led 20 park companies to join a recruitment fair at the Chinese University of Hong Kong Shenzhen campus, focused on attracting GBA undergraduate and postgraduate students.

## **SAFETY, HEALTH AND ENVIRONMENT (“SHE”)**

Safety, health and environmental protection are of paramount importance to the Corporation. Management adopts a risk-based approach to identify potential health, safety and environmental risks and establish effective control measures to mitigate the consequences of the risks.

### **Occupational Health and Safety**

To ensure workplace safety, we continue to improve our safety inspection and audit programs. Totally 159 safety inspections were conducted in 2023/24 which covered workplaces of HKSTP offices, co-working spaces, service contractors, public areas of Science Park, InnoCell, InnoCentre, InnoParks, and construction sites of new development projects. Scaffolding safety, fire safety, electrical safety, emergency preparedness and safe use of ladder were particularly addressed to responsible parties for improvement. Moreover, SHE Handbook, SHE manual and major hazards register, which cover all HKSTP locations, were regularly reviewed for efficient implementation of SHE management.

We completed the annual audit on the SHE performances of the Corporation in accordance with ISO45001 and ISO14001 standards. In the 2023/24 audit, there were totally 32 findings recorded. When comparing with the figure of 56 findings in 2022/23, the number of findings was reduced by 43%, which reflected a continual improvement in SHE performance. We completed 204 health risk assessments for prolonged computer users according to the Display Screen Equipment (“DSE”) regulation. All follow-up actions for the health risk assessments have been completed to ensure the occupational health of colleagues.

To sustain a healthy work environment, we regularly conduct indoor air quality (IAQ) and drinking water quality monitoring in Buildings 5E and 19W staff offices according to the IAQ Certification Scheme of EPD and HK Drinking Water Test Standards respectively. The measurements for new staff office at 3/F, Building 5E were carried out in 2023/24.

### **Health and Safety Training and Promotion**

To raise employees’ SHE awareness, various types of training are provided constantly to HKSTP staff. In 2023/24, 229 colleagues completed Display Screen Equipment Health Training module on the e-learning platform to learn and understand healthy workstations and correct working posture. SHE Induction Training delivered face-to-face or online was attended by 178 newly joined colleagues to ensure they are familiar with occupational and health issues and their roles in maintaining health and safety in the Corporation. In March 2024, 20 colleagues from various divisions received Cardio-Pulmonary Resuscitation (CPR) and Automated External Defibrillation (AED) training to become qualified persons to administer those lifesaving techniques in case of an emergency.

SHE Team launched 4 SHE online quizzes of different safety and health topics such as “Indoor Air Quality” and “Eye Care and Health” in 2023/24 and 328 staff participated in those quizzes. Besides, SHE Team organised 3 seminars and 1 workshop on topics of health and hygiene such as “Relieving Musculoskeletal Pains” and “Cholesterol Control” in 2023/24, which attracted 448 staff participations in total. Furthermore, we organised a “Comply-n – SPARK” campaign in 2023/24 to deepen colleagues’ awareness towards the importance of compliance. The keynote quiz event held in January 2024 was contested by 14 teams from different divisions, drawing over 400 colleagues to spectate.

### **Laboratory and Research Safety**

In 2023/24, the Laboratory and Research Safety (LRS) Team conducted 212 laboratory inspections at Science Park. At the same time, the LRS team has conducted a total 368 safety assessments for R&D activities to be commenced in Science Park Co-working Facilities and park company laboratories.

Safety training and promotion are the most essential means of enhancing laboratory safety awareness across the science park community. In 2023/24, the LRS team has conducted a series of trainings/workshops on laboratory safety, including “Technology on IAQ and HVAC measurement”, “Laboratory Safety 101 (Part 1)”, “Laboratory Safety 101 (Part 2)” and “Safety in Handling Gas Cylinder”. The outcomes of these activities were excellent with more than 208 participants from HKSTP Corporate Office and Park Companies. To promote laboratory safety culture, the LRS team continue to publish lesson learnt, safety tips and issue new laboratory safety posters which are available via SHE Website and HKSTP Intranet.

To fulfil the new requirements on the amended Dangerous Goods (DG) regulations, the revamped Dangerous Goods Inventory Management System (DGIMS) was successfully launched on 21 December 2023. The revamped DGIMS has enhanced the overall user experience for HKSTP Central DG users and improved the monitoring on Central DG services within HKSTP Buildings.

## SUSTAINABILITY REPORT

Climate change and the increasing significance of sustainability have had profound and visible effects on governments, corporations, investors, and tech ventures globally. At HKSTP, we recognise the crucial role of environmental stewardship and thought leadership in shaping sustainable practices. Our vibrant ecosystem for innovation and technology (I&T) uniquely positions us to accelerate the low-carbon transition and green technology (“green tech”) development. Recognising the interplay between technology and sustainability, HKSTP is dedicated to building a green tech ecosystem, advocating climate solutions, and empowering innovators and the younger generation to become climate leaders.

At HKSTP, we have taken concrete steps to integrate sustainability into our organisation, particularly our climate agenda. Our commitment to this cause is evident in every facet of our operations, from strategic planning and project development to our daily operations. We also collaborate with our green tech ventures and partners to build a green tech ecosystem that drives sustainable I&T development, paving the way for Hong Kong to become a leading green tech and green finance centre.

Proactively engaging our stakeholders is crucial for achieving our sustainability goals and supporting the development of the green tech ecosystem. Our stakeholders include anyone who can directly impact our business or who may be affected by our operations. We maintain an ongoing dialogue with our stakeholders, aiming to build trust and foster collaboration through various engagement formats, such as international and local events, exhibitions, conferences, and meetings. This continuous engagement allows us to understand and respond to our stakeholders’ evolving needs and expectations. Moreover, it enables us to promote sustainable practices throughout the I&T ecosystem and our organisation, particularly by developing the green ecosystem through nurturing green park companies.

## OUR COMMITMENT TO NET-ZERO

Climate change is a global issue that demands long-term and decisive action. Our country has set a target to achieve carbon neutrality by 2060, while the HKSAR Government has spelt out its ambition to achieve carbon neutrality before 2050. HKSTP is committed to achieving net-zero by 2045, setting a goal that is five years ahead of Hong Kong’s Climate Action Plan 2050 carbon neutrality target. This ambition coincides with establishing a paradigm to adopt green solutions.

HKSTP’s commitment to net-zero by 2045 represents a significant milestone for our organisation and aligns with the sustainability goals of corporations locally and globally. We aim to inspire other organisations to take imminent climate action. As a pioneer and key catalyst in decarbonisation through I&T, our efforts to achieve operational excellence in climate and sustainability set a precedent for green tech innovation and adoption.

This ambitious goal aligns with the standards set by the Science Based Targets initiative (“SBTi”)’s Corporate Net-Zero Standard, which aims to limit global temperature rise within 1.5°C. In March 2023, HKSTP committed to achieving net-zero for Scope 1, 2 and 3 carbon emissions. Typically, companies committed to SBTi complete their target validation within two years of their commitment. However, demonstrating its commitment to decarbonisation, HKSTP was undergoing the final stage of the SBTi validation, which was ahead of the usual timeframe.

To effectively propel decarbonisation, a decarbonisation roadmap for reducing Scope 1 & 2 emissions by 2030 was developed and endorsed by the Projects and Facilities Committee. This reduction would be achieved through initiatives such as retro-commissioning, chiller replacement, and lighting and lift system enhancement. Scope 3 carbon emissions include emissions along the value chain, primarily consisting of embodied carbon and tenant emissions. To address these, a Guideline for Low Carbon Design and Construction is being developed. Additionally, to reduce emissions from leased assets downstream, we planned to engage our tenants by enhancing their knowledge through workshops on climate change and decarbonisation.

## **ACCELERATING HONG KONG TRANSFORMATION TO A LEADING GREEN TECH HUB**

The Hong Kong Budget 2023-24 set out a clear goal to develop Hong Kong into an international centre for green tech and finance, while the Hong Kong Budget 2024-25 articulated the vision to build a leading green tech hub. HKSTP recognises our vital role in supporting this vision and has thus formulated a green tech ecosystem strategy.

### **Enhancing the Green Tech Ecosystem Structure**

Within the green tech ecosystem at HKSTP, there are four green tech categories, namely, Green & Sustainability Buildings, New Energy and Energy Efficiency, Big Data & Data Analytics for Sustainability, and Green & Smart-City Solutions and Services. As green tech park companies are developing and offering green solutions across diverse areas, including climate risk assessment, data analytics, new energy, and energy battery storage, mapping has been conducted to facilitate communication with their users and enhance bankability. This mapping adheres to the Common Ground Taxonomy. To further strengthen our efforts in nurturing green tech park companies, a dedicated team has been established to enhance account management.

### **Building an International Green Tech Hub**

Featuring green tech solutions from park companies, enhancing their connections to the international market, and boosting showcasing opportunities could significantly drive green tech adoption and commercialisation.

We sent our first-ever delegation to the United Nations Climate Change Conference, the 28th Conference of the Parties (“COP28”) in Dubai. This provided an ideal world stage for seven participating park companies to showcase their green innovations to the Middle East market and demonstrate their success as climate champions for Hong Kong. We have also engaged with UAE private and public sector leaders to explore Belt and Road market cooperation and nurture synergistic climate partnerships. The exhibitions at COP28 earned major acclaim from industry players, governments and the public, enhancing their connection to the global market, particularly in the Middle East. Representatives from the Environment and Ecology Bureau and Financial Services and the Treasury Bureau visited the exhibition booths of HKSTP’s green park companies. Substantial business and investment leads were generated, and some partnerships even fostered climate cooperation with influential global partners. Additionally, we attended a reception event organised by the Hong Kong Economic and Trade Office in Dubai, the Hong Kong Institution of Engineers, the Hong Kong Climate Change Forum, and representatives from the park companies.

Apart from COP28, we seized further opportunities for green park companies to showcase their solutions at Eco Expo Asia and the Belt and Road Summit. At Eco Expo Asia 2023, an international trade fair co-organised by Environment and Ecology Bureau, we set up a Pavilion under the theme “Green Tech for Low Carbon City Transition” to showcase green solutions from ten pioneering green tech ventures. During the Belt and Road Summit, we hosted a thematic session under the theme “Green Technology Development for Belt and Road”, articulating global trends in green and climate technology innovation and green and climate technology adoption cases.

### **Accelerating Green Tech Ecosystem Development through Engagement**

Green tech development can only be realised through collaboration with various stakeholders, among which the Hong Kong Government is one of the key stakeholders. In line with the vision outlined in the Hong Kong Budget, Hong Kong Green Week featured a series of events designed to promote the green economy and to support the development of green tech and green finance. A Task Force was set up by the Innovation, Technology and Industry Bureau to drive the implementation of the Hong Kong Green Week, with the Director of Sustainability from HKSTP joining as one of the members to drive the plan and its implementation. In addition, HKSTP served as the co-organiser of GreenTech Summit, which marked the opening of the Hong Kong Green Week. The GreenTech Summit served as a platform for generating valuable recommendations, fostering consensus, and outlining a roadmap for advancing green technology. Complementing the summit was an exhibition showcasing 50 GreenTech companies from Hong Kong, the Mainland and overseas, facilitating rewarding industry exchanges and spotlighting the latest groundbreaking innovations.

During Hong Kong Green Week, we led a series of other events including roundtable meetings and forums, engaging stakeholders from different sectors and backgrounds.

The Dark Green Tech Business Leader Dialogue is a roundtable discussion bringing together corporate sustainability leaders, green tech ventures, and technology enablers to address challenges and pain points in meeting decarbonisation targets. The Green Tech for SME Forum united SMEs and green tech ventures to address decarbonisation along the value chain. SMEs shared challenges in meeting green requirements, while green tech ventures showcased cutting-edge technologies. The Green Tech Insight Forum for Future STEM Education Change Makers was an exclusive event empowering student teachers with up-to-date climate technology knowledge and introducing local sustainability innovators, enabling them to communicate the importance of green innovation to the next generation.

To promote decarbonisation as guided by Hong Kong Climate Action Plan 2050, the Office of Climate Change and Carbon Neutrality (“Climate Office”) has been established. The adoption of green technology plays an important role in this initiative, and to this end, we have engaged with the Commissioner of the Climate Office to discuss the green tech ecosystem and highlight viable green solutions. We also support promoting the Green Tech Fund, which provides financial for research and development projects focusing on decarbonisation and environmental protection, by coordinating efforts with the Climate Office.

Additionally, the Chief Financial Officer of HKSTP has outlined the green tech landscape and its ongoing development in a session led by the representative of Financial Services and the Treasury Bureau during a green finance forum.

### **Fostering Green Tech Ecosystem Development together with Green Advocates**

Collaborating with like-minded partners can accelerate the development of green tech ecosystem. With support from a prominent bank, HKSTP has launched the Future Ecopreneur Programme in partnership with a local social enterprise. The initiative aims to cultivate local students and young graduates as future leaders in sustainability and green tech, aligning with Hong Kong’s Climate Action Plan 2050.

The Green in Prop+Con initiative, led by the Partnership Team, is a platform to source and match global and local green tech solutions with real estate and construction corporate partners. The Sustainability Team has collaborated with the Partnership Team to host panels discussing the latest sustainability trends such as natural capital, and to deliberate the latest industry demands for sustainability. This collaboration has facilitated the understanding of problem statements from corporate partners, resulting in over 100 proposals and initiating more than 250 business matchings.

### **The Sustainable Project**

Building design and construction projects can significantly impact carbon emissions from the construction phase to the operation stage. During the design of building 12W-A, an investigation study was conducted to identify and assess potential sustainability features. Several key sustainability features have been implemented, including using Ground Granulated Blastfurnace Slag (“GGBS”) to reduce embodied carbon. The façade was designed with an optimised window-to-wall ratio to increase the opaque façade area and minimise solar heat gain, thereby reducing the cooling load. These initiatives, along with other sustainability measures, are estimated to achieve a carbon reduction of more than 12,000 tCO<sub>2</sub>e<sup>5</sup>.

<sup>5</sup> Estimation is based on 50-year building lifecycle.

## **RISK MANAGEMENT REPORT**

Successful management of existing and emerging risks is critical to the long-term success of our Corporation. In order to achieve our strategic objectives and leverage the potential for success, risk must be accepted to a reasonable degree. Risk management is therefore an integral component of our Corporation's corporate governance.

### **RISK GOVERNANCE FRAMEWORK**

#### **Strategic Direction and Risk Appetite**

The Management, with oversight by the Board, determines the strategic direction of the Corporation and agrees on the nature and extent of the risks it is willing to take to achieve its strategic objectives.

Management is responsible for ensuring that the risk management system is effective. Having determined and communicated the appropriate level of risk for the business, the Management has established and maintains a risk management system to identify, assess, manage, and monitor risks that could threaten the existence of the Corporation or have a significant impact on the achievement of its strategic objectives. This risk management system includes a risk management policy and procedures which help reinforce the tone set from the top on risk, by instilling an appropriate risk culture in the Corporation whereby employees are expected to be risk-aware, control minded, and "do the right thing". Each risk has been assigned to a responsible staff and the CEO acts as the overall risk sponsor to ensure that there is clarity of responsibility.

The Management reports to the Audit Committee on the overall risk position of the Corporation, on the individual risks and their management, and on the performance and effectiveness of the risk management system as a whole on a bi-annual basis.

#### **Risk Management Process**

The Management applies a consistent risk methodology across all key areas of the business. This is underpinned by a risk and control register which reinforces the visibility of risks, controls, actions, and accountability of ownership. The process of risk identification, assessment, and response is continuous and embedded within the day-to-day operations of the business units. The risk register is reviewed by the management at least on a bi-annual basis.

#### **Effectiveness of Risk Management System**

The Management reports to the Audit Committee on a bi-annual basis on the performance and effectiveness of the risk management system. Additionally, the Audit Committee receives assurance from Internal Audit Division that the risk management has functioned effectively. For the year ended 31 March 2024, the Audit Committee, with delegated authority from the Board, evaluated the effectiveness and adequacy of the risk management and concluded that it was effective and adequate.



## PRINCIPAL RISKS

There are some principal risks that are inherent to the Corporation. For these inherent risks, we have controls, processes, and procedures in place to mitigate each risk by either minimising the likelihood of the event occurring and/or reducing the impact if

it does occur. The risks listed below are, to our best knowledge, the principal risks of various types to which we are exposed. They will necessarily evolve over time due to the dynamic nature of our business.

Principal Risks	Description	Key Mitigations
Strategic Risk	The risk of not being able to strengthen Hong Kong's position as the hub for innovation and technology	<ul style="list-style-type: none"> <li>Proactively engage key stakeholders at different levels to solicit support in the areas concerning policy, market adoption, investment, education, and training</li> <li>Actively conduct promotional activities locally and globally, as well as in the Mainland markets to attract quality R&amp;D companies</li> <li>Plan and execute funding and resources to attract and support R&amp;D companies, in view of developing a core of high-quality R&amp;D companies to strengthen the innovation &amp; technology ecosystem and attract talents</li> <li>Define and execute stricter focuses with specific sub-sectors and a list of targeted companies to build a stronger portfolio</li> </ul>
Occupational Health and Safety Risk	The risk of not covering all potential hazards for mitigation in all workplaces including office, laboratories, and construction sites	<ul style="list-style-type: none"> <li>Health and Safety policies and governance structures are reviewed regularly</li> <li>Safety audit and inspection programmes are in place to cover high-risk workplaces such as laboratories operated by HKSTP, tenants, or contractors</li> <li>Safety training and promotional activities are conducted for staff, tenants, and contractors.</li> <li>For research safety, safety assessment for research space is in place to identify potential health and safety hazards associated with research activities prior to operation to ensure mitigation measures are planned accordingly</li> </ul>

Principal Risks	Description	Key Mitigations
Information Security Risk	Inadequate processes and procedures leading to security breaches and loss of critical data	<ul style="list-style-type: none"> <li>• Procedures and measures are in place to prevent security breaches</li> <li>• Constantly alert new cyber threats and take immediate measures to address them</li> <li>• Conduct mandatory information security awareness training for staff members to raise their awareness of common security breach tactics and safe computing practices on a regular basis</li> <li>• Conduct simulated phishing email tests regularly to test users' vigilance against phishing emails</li> <li>• Appoint professional security consultants to assess system vulnerability and implement recommended solutions to address any potential security issues</li> </ul>
Operational Risk	Inadequate or failed internal processes which pose a material impact on the reputation and operation of HKSTP	<ul style="list-style-type: none"> <li>• Policies and procedures, and monitoring programmes are in place to address various operational and fraud risks</li> <li>• Compliance audits are conducted</li> </ul>
Reputational Risk	Negative publicity due to allegations/ negative articles in the press or social media	<ul style="list-style-type: none"> <li>• Maintain close working relationships with the press and media</li> <li>• Effective communication with the public when handling negative publicity</li> <li>• Regular reviews and improvement for issue/crisis communications</li> </ul>
Legal and Regulatory Risk	Incurring liabilities resulting from breach of or non-compliance with applicable laws, regulations, or contractual obligations	<ul style="list-style-type: none"> <li>• Legal advice sought prior to embarking on business activities and new initiatives</li> <li>• Compliance audits are conducted</li> </ul>
Financial Risk	The risk of not being able to achieve financial self-sustainability with the current business model	<ul style="list-style-type: none"> <li>• Develop budget and long-term financial projection with the aim of achieving financial self-sustainability</li> <li>• Use a rolling forecast to monitor the financial result and manage any potential financial exposure</li> <li>• Undertake an annual rental review and align the headline rate with market conditions</li> <li>• Implement stringent control on expenditure</li> <li>• Assess regularly the minimum cash requirement level for the Corporation to operate without disruption under adverse economic condition</li> </ul>

**REPORT OF  
THE DIRECTORS AND  
FINANCIAL STATEMENTS**

## **DIRECTORS' REPORT**

The directors present their report together with the audited financial statements for the year ended 31 March 2024.

### **PRINCIPAL ACTIVITIES**

The principal activities of Hong Kong Science and Technology Parks Corporation (the "Corporation") are to facilitate the research and development and application of technologies in manufacturing and service industries in Hong Kong; to support the development, transfer and use of new or advanced technologies in Hong Kong; and to establish or develop any premises where activities related to the purposes prescribed above are, or are to be, carried out, and to manage and control the land and other facilities comprised in such premises. Details of the principal activities of the Corporation's principal subsidiaries are set out in note 32 to the financial statements.

### **RESULTS**

The results of the Corporation and its subsidiaries (the "Group") for the year ended 31 March 2024 and the financial position of the Group as at that date are set out in the financial statements on pages 49 to 88.

#### **Property, plant and equipment**

Details of movements in the property, plant and equipment of the Group during the year are set out in note 11 to the financial statements.

#### **Construction in progress**

Details of movements in the construction in progress of the Group during the year are set out in note 12 to the financial statements.

#### **InnoParks**

Details of movements in the InnoParks of the Group during the year are set out in note 13 to the financial statements.

### **SHARE CAPITAL**

Details of the share capital of the Corporation are set out in note 26 to the financial statements.

### **DIRECTORS**

All directors were appointed and re-appointed in accordance with sections 1(1), 1(2) and 1(3) of Schedule 2 to the Hong Kong Science and Technology Parks Corporation Ordinance (the "Ordinance").

## DIRECTORS' REPORT

### DIRECTORS (CONTINUED)

The directors during the year and up to the date of this report were:

Name	First appointed in July for a term of 2 years	Re-appointed in July for a term of 2 years	Further re-appointed in July for a term of 2 years
<b>Chairperson</b>			
Dr. Sunny CHAI Ngai Chiu, SBS, JP*	2018*	2020	2022
<b>Government Member<sup>#</sup></b>			
Permanent Secretary for Innovation, Technology and Industry (with Commissioner for Innovation and Technology, Deputy Commissioner for Innovation and Technology or Assistant Commissioner for Innovation and Technology (Infrastructure) as alternate member)			
<i>Incumbent:</i>			
Mr. Eddie MAK Tak Wai, JP	–	–	–
<b>Members</b>			
Mr. Conrad CHAN Che Chung	2022	2024	
Mr. Eugene CHAN Yu Ching	2023		
Ms. Jennifer CHAN Pui Kwan	2023		
Ms. Dilys CHAU Suet Fung, JP (With effect from 1 July 2024)	2024		
Mr. Herbert CHIA Pun Kok, JP (Retired on 30 June 2024)	2018	2020	2022
Mr. Donald CHOI Wun Hing, JP (Retired on 30 June 2024)	2018	2020	2022
Mr. Dennis HO Chiu Ping (Retired on 30 June 2024)	2018	2020	2022
Ir HON Chi Keung, GBS, JP	2023		
Ms Susanna HUI Hon Hing, MH (With effect from 1 July 2024)	2024		
Mr. Timothy LEUNG Chi Pong (With effect from 1 July 2024)	2024		
Prof. Stephanie MA Kwai Yee	2020	2022	2024
Ms. Angel NG Yin Yee	2019	2021	2023
Mr. Daryl NG Win Kong, SBS, JP	2020	2022	2024
The Honourable Jimmy NG Wing Ka, BBS, JP (Retired on 30 June 2024)	2018	2020	2022
The Honourable Elizabeth QUAT, SBS, JP	2021	2023	
Dr. Samson TAM Wai Ho, JP	2022	2024	
Ms. Phoebe TSE Siu Ling	2022	2024	
The Honourable Eunice YUNG Hoi Yan, JP (With effect from 1 July 2024)	2024		
Dr. Philip ZHAI Pu	2023		

Remarks:

\* Prior to commencement of chairpersonship in July 2018, Dr. Sunny Chai was appointed as a director for the period from 1 July 2014 to 30 June 2018.

# The Government Member was appointed by the Financial Secretary of the Government of the Hong Kong Special Administrative Region on an ex-officio basis in accordance with sections 1(1)(b) and (2) of Schedule 2 of the Ordinance.

## **DIRECTORS' REPORT**

### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the year was the Corporation a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Corporation to acquire benefits by means of the acquisition of shares in, or debentures of, the Corporation, its subsidiaries or any other body corporate.

### **DIRECTORS' INTERESTS IN CONTRACTS**

No contract of significance to which the Corporation, or any of its subsidiaries was a party, and in which a director of the Corporation had a material interest, subsisted at the end of the year or at any time during the year.

### **AUDITORS**

The re-appointment of BDO Limited as auditors of the Corporation for a term of 2 years was approved by the Board of Directors on 22 March 2023. The consolidated financial statements for the year ended 31 March 2024 have been audited by BDO Limited.

On behalf of the board

**Dr. Sunny CHAI Ngai Chiu, SBS, JP**

*Chairman*

Hong Kong, 27 September 2024

# INDEPENDENT AUDITOR'S REPORT



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永安中心25樓

## OPINION

We have audited the consolidated financial statements of Hong Kong Science and Technology Parks Corporation (the "Corporation") and its subsidiaries (together the "Group") set out on pages 49 to 88, which comprise the consolidated statement of financial position as at 31 March 2024, the consolidated income statement and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Assessing recoverability of the carrying value of property, plant and equipment and construction in progress attributable to a cash generating unit in Science Park segment ("SPCGU")

*Refer to accounting policy 2.4(d), 2.4(e), 2.4(h)(ii) and notes 11 and 12 to the consolidated financial statements*

As at 31 March 2024, the Group held property, plant and equipment and construction in progress attributable to SPCGU located in Hong Kong with carrying amounts totalling HK\$10,196 million and HK\$940 million, which represented 34% of the Group's total assets at that date.

The SPCGU of the Group sustained a deficit for the year ended 31 March 2024, which management considered to be an indication that the carrying value of property, plant and equipment and construction in progress attributable to that segment may be impaired. Consequently, the recoverable amounts of property, plant and equipment and construction in progress attributable to SPCGU were estimated by management and compared with their carrying amounts.

The recoverable amounts of property, plant and equipment and construction in progress were assessed by management based on the value in use which is the net present value of the forecast cash flows. The assessment of the recoverable amounts is inherently subjective as it involves the exercise of significant management judgement and estimation, particularly in determining future occupancy rates, rental growth rates and the discount rate applied.

We identified the assessment of the recoverability of the carrying value of property, plant and equipment and construction in progress as a key audit matter because management's assessment of the recoverable amounts involved significant judgement and estimation which could be subject to management bias.

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS (CONTINUED)

#### Assessing recoverability of the carrying value of property, plant and equipment and construction in progress attributable to a cash generating unit in Science Park segment ("SPCGU") (Continued)

##### *Our response:*

Our procedures in relation to assessing the recoverability of the carrying value of property, plant and equipment and construction in progress included:

- evaluating the methodology adopted by management in the discounted cash flow forecast, the identification of cash generating units and the allocation of assets to the relevant cash generating units with reference to the guidance in the prevailing accounting standards;
- evaluating the key estimates and assumptions adopted in the discounted cash flow forecast, including future occupancy rates, rental growth rates and the discount rate applied, by comparing these against historical results and publicly available market information;
- comparing the actual operating results for the current year with management's forecast operating results in its recoverability assessment made in the previous year in order to assess the historical accuracy of management's forecasting process, discussing with management significant variances identified and considering the impact of these variances on the discounted cash flow forecast for the current year; and
- performing sensitivity analyses by making adjustments to the future occupancy rates and rental growth rates to assess the impact on the conclusions reached by management in its recoverability assessment and considering the risk of possible management bias in the recoverability assessment exercise.

### OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Corporation's annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.



# INDEPENDENT AUDITOR'S REPORT

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## INDEPENDENT AUDITOR'S REPORT

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BDO Limited**

*Certified Public Accountants*

Yu Tsui Fong

Practising Certificate Number P05440

Hong Kong, 27 September 2024

## CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024  
(Expressed in Hong Kong dollars)

	Note	2024 HK\$'000	2023 HK\$'000
<b>Income</b>			
Gross rental income	5(a)	1,144,580	1,051,472
Income from InnoParks	5(b)	973,398	1,280,319
Property management fee, air-conditioning and support facility income		341,141	312,201
Increase in fair value of financial assets at fair value through profit or loss		122,725	90,512
Income from technology support centres and communal facilities		12,331	13,065
Miscellaneous income		11,446	10,441
		<b>2,605,621</b>	2,758,010
<b>Expenditure</b>			
Operating and administrative expenses		(753,894)	(593,648)
Expenses for property management, technology support centres and communal facilities	6(a)	(637,661)	(581,080)
Incubation and tenant support expenses		(296,009)	(348,850)
Marketing and promotion expenses		(110,284)	(72,224)
		<b>(1,797,848)</b>	(1,595,802)
<b>Operating surplus before interest and depreciation</b>			
		<b>807,773</b>	1,162,208
Interest income	5(c)	364,399	162,468
Interest expenses	6(b)	(909)	(69)
<b>Surplus before depreciation</b>			
		<b>1,171,263</b>	1,324,607
Depreciation	11	(1,159,272)	(1,051,017)
Deferred income		56,168	56,168
<b>Surplus before taxation</b>			
		<b>68,159</b>	329,758
Taxation	10	144	–
<b>Surplus for the year</b>			
	7	<b>68,303</b>	329,758
<b>Other comprehensive income for the year</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Equity investments at fair value through other comprehensive income: change in fair value recognised during the year		(46,212)	(109,678)
<b>Surplus and total comprehensive income for the year</b>			
		<b>22,091</b>	220,080

The notes on pages 55 to 88 form part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024  
(Expressed in Hong Kong dollars)

	Note	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	11	16,715,485	16,651,876
Construction in progress	12	4,731,300	3,394,781
InnoParks	13	595,771	570,513
Other financial assets	14, 30(e)	339,006	354,191
Financial assets at fair value through profit or loss	30(e)	343,547	228,341
Deferred tax assets	15	144	–
<b>Total non-current assets</b>		<b>22,725,253</b>	21,199,702
<b>Current assets</b>			
Accounts receivable, prepayments, deposits and other receivables	16	308,992	380,385
Finance lease receivable	17	54,790	–
Bank deposits with original maturities of more than three months	18	2,984,660	8,815,652
Cash and cash equivalents	19(a)	7,070,474	1,110,756
<b>Total current assets</b>		<b>10,418,916</b>	10,306,793
<b>Current liabilities</b>			
Accrued charges and other payables	20	1,460,028	1,438,581
Deposits and rental received in advance	21	577,605	553,920
Lease liabilities	25	36,586	2,336
Government loans	22	1,555,000	–
Medium term notes	23	851,985	–
<b>Total current liabilities</b>		<b>4,481,204</b>	1,994,837
<b>Net current assets</b>		<b>5,937,712</b>	8,311,956

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 March 2024

(Expressed in Hong Kong dollars)

	Note	2024 HK\$'000	2023 HK\$'000
<b>Total assets less current liabilities</b>		<b>28,662,965</b>	29,511,658
<b>Non-current liabilities</b>			
Deferred income	24	1,546,360	1,611,254
Government loans	22	545,152	536,426
Medium term notes	23	–	851,932
Lease liabilities	25	38,561	1,245
<b>Total non-current liabilities</b>		<b>2,130,073</b>	3,000,857
<b>NET ASSETS</b>		<b>26,532,892</b>	26,510,801
<b>EQUITY</b>			
Issued capital	26	26,949,398	26,949,398
Reserves		(416,506)	(438,597)
<b>TOTAL EQUITY</b>		<b>26,532,892</b>	26,510,801

Approved and authorised for issue by the board of directors on 27 September 2024.

**Dr. Sunny CHAI Ngai Chiu, SBS, JP**

*Chairperson*

**Hon Eunice YUNG Hoi Yan, JP**

*Director*

The notes on pages 55 to 88 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024  
(Expressed in Hong Kong dollars)

	Issued capital	Accumulated deficit	Fair value reserve (non-recycling)	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 April 2022</b>	22,770,398	(774,907)	116,230	22,111,721
<b>Changes in equity for 2023:</b>				
Issuance of shares (note 26)	4,179,000	–	–	4,179,000
Surplus for the year	–	329,758	–	329,758
Other comprehensive income				
Changes in fair value recognised during the year	–	–	(109,678)	(109,678)
Total comprehensive income for the year	–	329,758	(109,678)	220,080
Transfer within equity upon disposal of other financial assets	–	(19,307)	19,307	–
<b>At 31 March 2023 and 1 April 2023</b>	26,949,398	(464,456)	25,859	26,510,801
<b>Changes in equity for 2024:</b>				
Surplus for the year	–	68,303	–	68,303
Other comprehensive income				
Changes in fair value recognised during the year	–	–	(46,212)	(46,212)
Total comprehensive income for the year	–	68,303	(46,212)	22,091
Transfer within equity upon disposal of other financial assets	–	(2,544)	2,544	–
<b>At 31 March 2024</b>	26,949,398	(398,697)	(17,809)	26,532,892

The notes on pages 55 to 88 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024  
(Expressed in Hong Kong dollars)

	Note	2024 HK\$'000	2023 HK\$'000
<b>Cash flows from operating activities</b>			
Surplus before taxation		68,159	329,758
Adjustments for:			
Depreciation	11	1,159,272	1,051,017
Interest expenses	6(b)	909	69
Net income on land in InnoParks leased	5(b)	(954,536)	(1,244,639)
Interest income	5(c)	(364,399)	(162,468)
Increase in fair value of financial assets at fair value through profit or loss		(122,725)	(90,512)
Other deferred income recognised		(56,168)	(56,168)
Gain on disposal of items of property, plant and equipment	7	(75)	(39)
		<b>(269,563)</b>	(172,982)
<i>Changes in operating assets and liabilities:</i>			
(Decrease)/Increase in accrued charges and other payables		(117,259)	117,674
Increase/(Decrease) in deposits and rental received in advance		23,685	(320,623)
Decrease/(Increase) in accounts receivable, prepayments, deposits and other receivables		15,079	(75,934)
		<b>(348,058)</b>	(451,865)
<b>Cash flows from investing activities</b>			
Withdrawal of bank deposits with original maturities of more than three months when acquired		8,975,652	11,418,745
Gross proceed from land in InnoParks leased	5(b)	919,210	1,272,000
Interest received		420,713	79,372
Proceed from disposal of other financial assets		1,126	2,040
Proceed from disposal of items of property, plant and equipment		80	387
Proceed from disposal of financial assets at fair value through profit or loss		7,520	212
Placement of bank deposits with original maturities of more than three months when acquired		(3,144,660)	(13,919,519)
Payment for construction in progress		(1,687,580)	(1,901,036)
Payment for repossessed lands in InnoParks		(44,722)	(248,665)
Payment for purchase of items of property, plant and equipment		(618,077)	(122,218)
Payment for purchase of other financial assets		(32,153)	(48,264)
		<b>4,797,109</b>	(3,466,946)

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2024  
(Expressed in Hong Kong dollars)

	Note	2024 HK\$'000	2023 HK\$'000
<b>Cash flows from financing activities</b>			
Proceeds from government loans	19(b)	1,555,000	–
Interest paid	19(b)	(27,211)	(27,212)
Capital element of lease rentals paid	19(b)	(16,213)	(3,724)
Interest element of lease rentals paid	19(b)	(909)	(69)
Proceeds from issuance of new shares	26	–	4,179,000
<b>Net cash generated from financing activities</b>		<b>1,510,667</b>	4,147,995
<b>Net increase in cash and cash equivalents</b>		<b>5,959,718</b>	229,184
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,110,756</b>	881,572
<b>Cash and cash equivalents at the end of the year</b>	19(a)	<b>7,070,474</b>	1,110,756

The notes on pages 55 to 88 form part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

## 1. GENERAL INFORMATION

The Hong Kong Science and Technology Parks Corporation (the "Corporation") was incorporated under the Hong Kong Science and Technology Parks Corporation Ordinance (the "Ordinance"). The Corporation was incorporated on 7 May 2001 by vesting of all rights, obligations, assets and liabilities of Provisional Hong Kong Science Park Company Limited, Hong Kong Industrial Estates Corporation and Hong Kong Industrial Technology Centre Corporation. The address of the principal place of business of the Corporation is 5/F, Building 5E, 5 Science Park East Avenue, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong.

The purposes of the Corporation and its subsidiaries (the "Group") are to facilitate the research and development and application of technologies in manufacturing and service industries in Hong Kong; to support the development, transfer and use of new or advanced technologies in Hong Kong; and to establish or develop any premises where activities related to the purposes prescribed above are, or are to be, carried out, and to manage and control the land and other facilities comprised in such premises.

The entire issued capital of the Corporation was registered under The Financial Secretary Incorporated, a corporation solely established under the Financial Secretary Incorporation Ordinance (Chapter 1015 of the Laws of Hong Kong) which is wholly owned by the Government of the Hong Kong Special Administrative Region (the "Government").

## 2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Corporation. Note 2.3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

## 2.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 March 2024 comprise the Corporation and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- Other financial assets (see note 2.4(c)); and
- financial assets at fair value through profit or loss (see note 2.4(q)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 2.3 ADOPTION OF NEW OR AMENDMENTS TO HKFRSS – EFFECTIVE 1 APRIL 2023

The Group has adopted the following new or amendments to HKFRSS issued by the HKICPA that are effective for annual periods beginning on or after 1 April 2023.

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance Contracts

Other than the Amendments to HKAS 1 and HKFRS Practice Statement 2 and Amendments to HKAS 12, the new or amendments to HKFRSS that are effective from 1 April 2023 did not have any significant impact on the Group's accounting policies.

#### Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosure of Accounting Policies

The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the financial statements of the Group but may affect the disclosure of accounting policies of the Group.

#### Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

### 2.4 ACCOUNTING POLICIES

#### (a) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

No geographical segment information has been prepared as the Group's operations are primarily located within Hong Kong for the years presented.

#### (b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 2.4 ACCOUNTING POLICIES (CONTINUED)

#### (b) Subsidiaries (Continued)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

#### (c) Other financial assets

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in income statement. For an explanation of how the Group determines fair value of financial instruments, see note 30(e).

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at fair value through other comprehensive income ("FVOCI") (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to accumulated surplus or deficit. It is not recycled through income statement.

#### (d) Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and impairment losses (see note 2.4(h)(ii)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method at annual rates as follows:

– Science Park	Over the shorter of unexpired terms of the leases or 2% to 6½%*
– InnoCentre	Over the unexpired terms of the leases
– InnoParks buildings	Over the shorter of unexpired terms of the leases or 2% to 6½%*
– Other properties leased for own use	Over the unexpired terms of the leases
– Estate centre building	Over the unexpired terms of the leases
– Laboratories equipment and facilities	Over the shorter of lease term or 8½% to 33⅓%
– Leasehold improvements	Over the shorter of lease term or 8½% to 33⅓%
– Furniture, fittings and equipment	5% to 33⅓%
– Motor vehicles	25%

\* Depreciation rate of 6½% is applied to certain significant electrical and mechanical equipment inside the Science Park and InnoParks buildings. The remaining premises and others are depreciated over the unexpired terms of the leases.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 2.4 ACCOUNTING POLICIES (CONTINUED)

#### (d) Property, plant and equipment and depreciation (Continued)

##### *Science Park*

The Science Park is developed for the purpose of leasing for rental and providing infrastructure to tenants for innovation and technology development. The Science Park is shown at actual cost which includes all direct costs together with direct and indirect overheads applicable to the construction, less accumulated depreciation and accumulated impairment losses (see note 2.4(h)(ii)).

##### *InnoCentre*

The InnoCentre is developed for the purpose of supporting development for financial and green technology by providing infrastructure and facilities and leasing office space for tenants engaged in such activities. The property is shown at actual cost which includes all direct costs together with direct and indirect overheads applicable to the construction, less accumulated depreciation and accumulated impairment losses (see note 2.4(h)(ii)).

##### *InnoParks buildings*

InnoParks buildings are developed at the three InnoParks in Tai Po, Tseung Kwan O and Yuen Long for innovation and technology-driven industrial production. They are held to earn rental income and provide ancillary services for tenants in the ordinary course of business. The properties are shown at actual cost which includes all direct costs together with direct and indirect overheads applicable to the construction, less accumulated depreciation and accumulated impairment losses (see note 2.4(h)(ii)).

##### *Estate centre building*

The estate centre building is used for administrative purposes. The property is shown at actual cost which includes all direct costs together with direct and indirect overheads applicable to the construction, less accumulated depreciation and accumulated impairment losses (see note 2.4(h)(ii)).

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

#### (e) Construction in progress

Construction in progress is being constructed for the purpose of leasing for rental and providing infrastructure to tenants for innovation and technology development. Construction in progress is shown at actual cost which includes all direct costs, borrowing costs capitalised, together with direct and indirect overheads applicable to the construction, less accumulated impairment losses (see note 2.4(h)(ii)).

No depreciation is provided in respect of construction in progress until it is completed and is ready for its intended use. On completion, the amounts are reclassified to appropriate categories of assets within property, plant and equipment.

#### (f) InnoParks

InnoParks, represent the pieces of land in each of the InnoParks and are shown at actual cost which includes all direct costs together with direct and indirect overheads applicable to the construction, less accumulated impairment losses (see note 2.4(h)(ii)). Included in the cost of each InnoPark is the cost of land and cost to repossess certain premises. The construction cost of the InnoParks buildings and estate centre building has been excluded from the cost of the InnoParks and is shown separately in note 2.4(d) as above described.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 2.4 ACCOUNTING POLICIES (CONTINUED)

#### (g) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

##### *Group as a lessee*

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to income statement in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2.4(h)(ii)).

In the consolidated statement of financial position, the Group presents right-of-use assets of leased properties within "property, plant and equipment" and right-of-use assets of pieces of land under "InnoParks" and presents all lease liabilities separately.

##### *Group as a lessor*

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in the consolidated income statement so as to provide a constant periodic rate of return over the lease terms.

#### (h) Credit losses and impairment of assets

##### (i) *Credit losses from financial instruments*

The Group recognises a loss allowance for expected credit loss ("ECLs") on the financial assets measured at amortised cost (including cash and bank balances, accounts and other receivables and finance lease receivable).

Financial assets measured at fair value, including financial assets at FVPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 2.4 ACCOUNTING POLICIES (CONTINUED)

#### (h) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments (Continued)

Measurement of ECLs

The loss allowance for a trade debtor is measured at an amount equal to lifetime ECLs, which are those losses that are expected to occur over the expected life of the trade debtors. The loss allowance is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in income statement. The Group recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of accounts and other receivables through a loss allowance account.

The gross carrying amount of a trade debtor or other receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

##### (ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- construction in progress; and
- InnoParks

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to income statement in the year in which the reversals are recognised.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 2.4 ACCOUNTING POLICIES (CONTINUED)

#### (i) Accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance ECLs (see note 2.4(h)(i)).

#### (j) Interest-bearing borrowing

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 2.4(p)).

#### (k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 2.4(h)(i).

#### (l) Employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group provides employer's contribution to the MPF Scheme for all qualifying employees at the following rates:

–	1–5 years of service	5% of basic salary
–	6–10 years of service	10% of basic salary
–	Over 10 years of service	15% of basic salary

#### (m) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to income statement over the expected useful life of the relevant asset to match with the depreciation of the relevant asset.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to income statement over the expected useful lives of the relevant assets to match with the depreciation of the relevant assets.

Where the Group receives government loans granted with no or at a below-market rate of interest, the initial carrying amount of the government loans is determined using the effective interest method. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to income statement over the loan period to match with the interest expenses of the relevant loans.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 2.4 ACCOUNTING POLICIES (CONTINUED)

#### (n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (o) Revenue and other income

Income is classified by the Group as revenue when it arises from the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties.

Further details of the Group's revenue and other income recognition policies are as follows:

- (i) rental income receivable under operating leases is recognised in income statement in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in income statement as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned;
- (ii) InnoParks income in relation to the premises or change of uses of the premises of InnoParks leased to the lessees is recognised when the Group make InnoParks available for use to lessees;
- (iii) property management fee, air-conditioning and support facility income is recognised when the services are rendered to the tenants;
- (iv) income from technology support centres and communal facilities including (i) equipment leasing and service fee income which is recognised when the services are rendered to the tenants; (ii) procurement sales income which is recognised when the laboratories materials are delivered to and accepted by the tenants; and (iii) rental income from leasing communal office or laboratory is recognised in equal instalments over the periods covered by lease terms;
- (v) deferred income arising from assets granted by the Government is recognised over the unexpired terms of the leases of the related assets in accordance with the depreciation policies of the related assets.

#### (p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 2.4 ACCOUNTING POLICIES (CONTINUED)

#### (q) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in income statement.

#### (r) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has made the following accounting judgements and estimates:

#### Impairment of property, plant and equipment and construction in progress

The Group determines whether the property, plant and equipment and construction in progress are impaired, particularly in assessing whether an event has occurred that may affect the asset value. This requires an estimation of the value in use. The value in use calculation requires the Group to estimate the future cash flows expected to arise from its use. Where the actual future cash flows are less than expected, material impairment provision may arise. As at 31 March 2024, the net carrying amount of the property, plant and equipment and construction in progress were HK\$16,715,485,000 (2023: HK\$16,651,876,000) after taking into account the accumulated impairment provision of HK\$105,813,000 made in previous year in respect of certain property, plant and equipment and HK\$4,731,300,000 (2023: HK\$3,394,781,000) respectively.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 4. OPERATING SEGMENT INFORMATION

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results. For management purposes, the Group is organised into business units based on its services and has four reportable operating segments as follows:

#### (a) Science Park

The Science Park segment refers to Hong Kong Science Park in Pak Shek Kok together with a branch in Futian, Shenzhen; which provides all services in connection with development of Hong Kong and the GBA into a regional hub for innovation and technology and also covers value added services and comprehensive incubation programmes for technology start-ups to accelerate their growth.

#### (b) InnoCentre

The InnoCentre segment refers to innovation support in relation to financial and green technology development in Hong Kong.

#### (c) InnoParks

The InnoParks segment refers to the three InnoParks in Tai Po, Yuen Long and Tseung Kwan O. With the repositioning from Industrial Estates to InnoParks in 2021, InnoParks aim at driving "innofacturing" with the focuses on new innovation and technology industries and emphasis on innovative product technology, advanced manufacturing processes, high-skill employment, efforts in research and development, supporting local consumptions, environmental and business sustainability, as well as the companies' output and investment in capital expenditure.

#### (d) Lok Ma Chau Loop

The Lok Ma Chau Loop (the "Loop") segment refers to establishment and development of the Hong Kong-Shenzhen Innovation and Technology Park in the Loop and to provide all services in connection with development of Hong Kong into a regional hub for innovation and technology.

In view of the increasing scale of operation and importance of the Loop to the Group, starting from this financial year, the Loop was separately disclosed as a single reportable operating segment.

To reconcile the Group's financial results, certain items are not reported under an individual segment but are classified under Government Funded Initiatives. Government Funded Initiatives refer to a range of facilities to foster the research work in healthcare and artificial intelligence and robotics technologies, and support measures and incentives to the Corporation's tenants and incubatees. They are funded by the Government through equity injected to the Corporation. Cost of facilities is accounted for in property, plant and equipment and construction in progress. Support measures and incentives including funding support, rental concession, related facilities' operating expenses and corporate overheads are accounted for in the income statement.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

No measure of segment assets and liabilities are reported to or used by the directors, who are the chief operating decision makers. Therefore, no segment assets and liabilities information is disclosed.

	2024				Total HK\$'000
	Science Park HK\$'000	InnoCentre HK\$'000	InnoParks HK\$'000	Loop HK\$'000	
<b>Items excluding Government Funded Initiatives</b>					
Income	1,400,321	47,459	1,222,313	–	2,670,093
Expenditure	(1,137,770)	(23,866)	(133,331)	(79,993)	(1,374,960)
<b>Operating surplus/(deficit) before interest and depreciation</b>	<b>262,551</b>	<b>23,593</b>	<b>1,088,982</b>	<b>(79,993)</b>	<b>1,295,133</b>
Depreciation, net of deferred income and tax credit	(790,554)	(4,670)	(305,234)	(2,502)	(1,102,960)
<b>Reportable segment (deficit)/surplus for the year</b>	<b>(528,003)</b>	<b>18,923</b>	<b>783,748</b>	<b>(82,495)</b>	<b>192,173</b>
Net interest income					363,490
Government Funded Initiatives					
– Rental income concession					(64,472)
– Total expenses					(422,888)
<b>Surplus for the year</b>					<b>68,303</b>

Total cost of facilities under Government Funded Initiatives as at 31 March 2024 was approximately HK\$1,647 million (2023: approximately HK\$1,066 million).

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

	2023 (Re-presented*)				Total HK\$'000
	Science Park HK\$'000	InnoCentre HK\$'000	InnoParks HK\$'000	Loop HK\$'000	
<b>Items excluding Government</b>					
<b>Funded Initiatives</b>					
Income	1,276,304	47,036	1,486,681	–	2,810,021
Expenditure	(983,483)	(20,150)	(109,428)	(45,024)	(1,158,085)
<b>Operating surplus/(deficit)</b>					
<b>before interest and depreciation</b>	292,821	26,886	1,377,253	(45,024)	1,651,936
Depreciation, net of deferred income	(694,829)	(4,670)	(293,043)	(2,307)	(994,849)
<b>Reportable segment</b>					
<b>(deficit)/surplus for the year</b>	(402,008)	22,216	1,084,210	(47,331)	657,087
Net interest income					162,399
Government Funded Initiatives					
– Rental income concession					(52,011)
– Total expenses					(437,717)
<b>Surplus for the year</b>					<b>329,758</b>

\* Following the change of the reportable operating segments in current year, certain comparative figures on the presentation of the operating segment have been represented to conform the current year's presentation.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 5. INCOME FROM INNOPARKS, GROSS RENTAL AND INTEREST INCOME

#### (a) Gross rental income

The amount represented gross rental income in respect of Science Park, InnoCentre and properties situated in InnoParks.

#### (b) Income from InnoParks

	2024 HK\$'000	2023 HK\$'000
Proceeds from lands and/or premises leased net of any related cost	954,536	1,244,639
Premium received for change of uses of the lands and/or premises leased to the lessees	–	16,146
Other income	18,862	19,534
<b>Total</b>	<b>973,398</b>	<b>1,280,319</b>

#### (c) Interest income

	2024 HK\$'000	2023 HK\$'000
Interest income on bank deposits	364,399	162,468

### 6. EXPENSES FOR PROPERTY MANAGEMENT AND TECHNOLOGY SUPPORT CENTRES AND COMMUNAL FACILITIES AND INTEREST EXPENSES

#### (a) Expenses for property management and technology support centres and communal facilities

Amount included expenses for property management of HK\$577,551,000 (2023: HK\$504,118,000) and expenses for technology support centres and communal facilities of HK\$60,110,000 (2023: HK\$76,962,000). Included in expenses for property management were salaries and other benefits of HK\$145,720,000 (2023: HK\$136,132,000) and contribution to defined contribution retirement scheme of HK\$6,378,000 (2023: HK\$5,630,000) that the management companies paid to their staff.

#### (b) Interest expenses

	2024 HK\$'000	2023 HK\$'000
Interest expenses on medium term notes	27,339	27,264
Interest expenses on government loans	13,285	8,382
Interest expenses on lease liabilities	909	69
	<b>41,533</b>	<b>35,715</b>
Less: interest expenses capitalised into construction in progress (Note)	<b>(40,624)</b>	<b>(35,646)</b>
	<b>909</b>	<b>69</b>

Note: The borrowing costs were capitalised at rates of 1.4% to 3.2% (2023: 1.3% to 3.2%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 7. SURPLUS FOR THE YEAR

The Group's surplus for the year is arrived at after charging/(crediting):

	2024 HK\$'000	2023 HK\$'000
Employee benefit expenses (excluding staff costs of property management, as set out in note 6(a)):		
– Wages and salaries	496,223	405,069
– Retirement benefit scheme contributions	21,722	15,018
Audit fee payable to auditors	1,701	1,615
Gain on disposal of items of property, plant and equipment	(75)	(39)

### 8. DIRECTORS' EMOLUMENTS

No directors received any fees or emoluments in respect of their services rendered to the Group during the year (2023: Nil).

### 9. FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the five non-directors and highest paid employees, including the remuneration to the Chief Executive Officer ("CEO") of the Corporation, for the year are set out as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and other benefits	16,084	14,470
Performance related incentive payments	3,664	3,212
Retirement benefit scheme contributions	884	953
	<b>20,632</b>	<b>18,635</b>

The remuneration of the CEO for the year was HK\$5,667,000 (salary and other benefits: HK\$4,360,000; performance related incentive payments: HK\$871,000; retirement benefit scheme contributions: HK\$436,000) (2023: HK\$5,704,000 (salary and other benefits: HK\$4,225,000; performance related incentive payments: HK\$1,056,000; retirement benefit scheme contributions: HK\$423,000)).

The number of non-directors and highest paid employees whose remuneration is within the following bands is as follows:

	2024	2023
HK\$3,000,001 to HK\$3,500,000	2	3
HK\$3,500,001 to HK\$4,000,000	1	1
HK\$4,500,001 to HK\$5,000,000	1	–
HK\$5,500,001 to HK\$6,000,000	1	1
	<b>5</b>	<b>5</b>

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 10. TAXATION

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Deferred tax credit (note 15)	<b>144</b>	–

The deferred tax credit represents the Group's presentation of deferred tax assets and liabilities in net arising from the temporary differences arising from the lease liabilities and leased property respectively which are set out in note 15 to the financial statements.

No provision for Hong Kong Profits Tax has been made as the Corporation is exempt from taxation in Hong Kong in accordance with section 25 of the Ordinance and the subsidiaries within the Group did not earn any assessable profits for both 2024 and 2023.

No provision for PRC corporate income tax has been made in the consolidated financial statements as subsidiaries within the Corporation did not generate any assessable profits in the Mainland China for both 2024 and 2023.

The Group has not recognised deferred tax assets in respect of subsidiaries' cumulative unused tax losses of HK\$300,683,000 (2023: HK\$213,247,000) as it is not probable that future taxable profits against which the losses can be utilised will be available. The tax losses do not expire under current tax legislation.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

## 11. PROPERTY, PLANT AND EQUIPMENT

	Properties*									Total
	Science Park	InnoCentre	InnoParks buildings	Other properties leased	Estate centre building	Laboratories equipment and facilities	Leasehold improvements	Furniture, fittings and equipment	Motor vehicles	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Cost:</b>										
At 1 April 2022	14,567,183	204,970	1,962,312	14,525	938	356,329	1,401,124	280,323	3,537	18,791,241
Additions	-	-	-	-	-	23,248	75,561	22,597	812	122,218
Disposals	-	-	-	-	-	(1,828)	-	(2,037)	(303)	(4,168)
Transfer from construction in progress	-	-	4,444,867	-	-	27,823	142,762	9,805	-	4,625,257
At 31 March 2023 and 1 April 2023	14,567,183	204,970	6,407,179	14,525	938	405,572	1,619,447	310,688	4,046	23,534,548
Additions	-	-	-	87,779	-	29,355	169,882	406,067	382	693,465
Disposals	-	-	-	-	-	(15)	-	(2,985)	(476)	(3,476)
Transfer from construction in progress	83,382	-	218,863	-	-	56,458	145,611	25,107	-	529,421
At 31 March 2024	14,650,565	204,970	6,626,042	102,304	938	491,370	1,934,940	738,877	3,952	24,753,958
<b>Accumulated depreciation and impairment provision:</b>										
At 1 April 2022	3,919,965	97,556	175,020	6,687	529	313,399	1,099,325	219,511	3,483	5,835,475
Charge for the year	421,807	4,670	295,904	3,833	25	20,775	264,992	38,771	240	1,051,017
Written back on disposals	-	-	-	-	-	(1,828)	-	(1,689)	(303)	(3,820)
At 31 March 2023 and 1 April 2023	4,341,772	102,226	470,924	10,520	554	332,346	1,364,317	256,593	3,420	6,882,672
Charge for the year	419,528	4,670	305,408	24,688	25	27,495	240,327	136,912	219	1,159,272
Written back on disposals	-	-	-	-	-	(15)	-	(2,980)	(476)	(3,471)
At 31 March 2024	4,761,300	106,896	776,332	35,208	579	359,826	1,604,644	390,525	3,163	8,038,473
<b>Net book value:</b>										
At 31 March 2024	9,889,265	98,074	5,849,710	67,096	359	131,544	330,296	348,352	789	16,715,485
At 31 March 2023	10,225,411	102,744	5,936,255	4,005	384	73,226	255,130	54,095	626	16,651,876

\* These properties are held for rental and own use.



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	2024 HK\$'000	2023 HK\$'000
Ownership interests in leasehold land and properties held for rental and own use with remaining lease term of:		
– within 50 years	15,837,408	16,264,794
Other property leased with remaining lease term of:		
– within 3 years	67,096	4,005
	<b>15,904,504</b>	<b>16,268,799</b>

The Group has obtained the right to use certain land lots for the development of premises relating to the Group's principal activities. The Group has also obtained the right to use certain properties for supporting the new or advanced technologies in Hong Kong and the Mainland China through tenancy agreements. The leases do not include any variable lease payments.

The analysis of expense items in relation to leases recognised in income statement is as follows:

	2024 HK\$'000	2023 HK\$'000
Depreciation charge of right-of-use assets:		
– Ownership interests in leasehold land and properties	729,631	722,406
– Other properties leased	24,688	3,833
Interest on lease liabilities (note 6(b))	909	69

### 12. CONSTRUCTION IN PROGRESS

	2024 HK\$'000	2023 HK\$'000
Carrying amount at the beginning of the year	3,394,781	5,935,017
Additions	1,825,316	2,049,375
Capitalised interest (note 6(b))	40,624	35,646
Transfer to property, plant and equipment	(529,421)	(4,625,257)
Carrying amount at the end of the year	<b>4,731,300</b>	<b>3,394,781</b>

As at 31 March 2024, construction in progress, including Micro-Electronics Centre, Batch 1 Development of the Hong Kong-Shenzhen Innovation and Technology Park at the Lok Ma Chau Loop, remaining works of Advanced Manufacturing Centre ("AMC") and Science Park Expansion 2, are projects for the purpose of leasing and providing tenants with infrastructure to drive innovation and technology development.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 13. INNOPARKs

	2024 HK\$'000	2023 HK\$'000
Carrying amount at the beginning of the year	570,513	349,209
Additions	44,722	248,665
Cost of land derecognised upon land leased	(19,464)	(27,361)
Carrying amount at the end of the year	<b>595,771</b>	570,513

### 14. OTHER FINANCIAL ASSETS

	Notes	2024 HK\$'000	2023 HK\$'000
Equity securities designated at FVOCI (non-recycling):			
– Unlisted	(i)	330,983	322,505
– Listed	(ii)	8,023	31,686
		<b>339,006</b>	354,191

Notes:

- (i) The unlisted equity securities represent investments in start-up companies. Those companies are engaged in various industries mainly including software and application, biotech, healthcare technology, artificial intelligence solution, logistics and computing services. The Group designated the investments in unlisted equity securities at FVOCI (non-recycling) as those investments are held for strategic purposes. No dividends were received on those investments during the year (2023: Nil).
- (ii) The listed equity securities represent investments listed in Hong Kong Stock Exchange and Nasdaq. The Group designated the investments in listed equity securities at FVOCI (non-recycling) as those investments are held for strategic purposes. No dividends were received on those investments during the year (2023: Nil).

### 15. DEFERRED TAX ASSETS (LIABILITIES)

Deferred taxation is calculated in full on temporary differences arisen from an operating lease related to the branch in Futian, Shenzhen under the liability method using the principal tax rate of 25% adopted in the Mainland China.

The principal components of the deferred tax assets/(liabilities) are as follows:

	Lease liabilities HK\$'000	Other leased property HK\$'000	Total HK\$'000
At 1 April 2022, 31 March 2023 and 1 April 2023	–	–	–
Recognised in profit or loss (note 10)	8,960	(8,816)	144
At 31 March 2024	<b>8,960</b>	<b>(8,816)</b>	<b>144</b>

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 15. DEFERRED TAX ASSETS (LIABILITIES) (CONTINUED)

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Deferred tax assets	<b>144</b>	–
Deferred tax liabilities	–	–
	<b>144</b>	–

### 16. ACCOUNTS RECEIVABLE, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Accounts receivable, net of loss allowance	<b>83,931</b>	43,832
Prepayments	<b>34,327</b>	32,237
Deposits and other receivables	<b>190,734</b>	304,316
	<b>308,992</b>	380,385

The Group allows an average credit period of 14 to 30 days to its tenants. Before accepting any new tenant, the Group internally assesses the credit quality of the potential tenant and defines appropriate credit limits. Overdue balances are regularly reviewed by senior management and collections are followed up regularly.

For receivables due from lessees of InnoParks, the Group may reclaim the premises leased to the lessees in default of payments and the directors consider there are no significant credit risks. As at 31 March 2024, the balance of accounts receivable covered by collateral amounted to HK\$1,234,000 (2023: HK\$868,000). Except for receivables from InnoParks' lessees and tenants, the Group does not hold any collateral or other credit enhancements over these balances.

Further details on the Group's credit policy and credit risk arising from account receivables are set out in note 30(b).

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 17. FINANCE LEASE RECEIVABLE

The following table shows the remaining contractual maturities of the Group's finance lease receivable:

	2024	
	Present value of future lease receivables HK\$'000	Total future lease receivables HK\$'000
Within 1 year	5,525	9,110
After 1 year but within 2 years	5,525	8,739
After 2 years but within 3 years	5,525	8,359
After 3 years but within 4 years	5,525	7,984
After 4 years but within 5 years	5,525	7,595
After 5 years	27,165	31,840
	49,265	64,517
	54,790	73,627
Less: unearned finance lease income		(18,837)
Present value of lease receivable		54,790

During the year, the Group entered into a finance lease arrangement with a lessee in respect of a premise in InnoPark for an amount of HK\$85,000,000 which are paid/will be payable by the lessee by instalments (2023: Nil). The receivable represents the outstanding instalments as at year end. The term of the finance lease is till through year 2047.

### 18. BANK DEPOSITS WITH ORIGINAL MATURITIES OF MORE THAN THREE MONTHS

As at 31 March 2024 and 2023, all bank deposits had remaining maturities within one year. These bank deposits carried interest at the average interest rate of 4.64% (2023: 3.80%) per annum.

### 19. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

#### (a) The balance represents cash at banks and on hand

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 March 2024, the Group had cash at banks denominated in Renminbi ("RMB") amounting to approximately HK\$76,139,000 (2023: HK\$4,694,000), which were deposits with banks in Mainland China or held in hand. RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 19. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

#### (b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	Medium term notes	Government loans	Interest payable	Lease liabilities	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>As at 1 April 2023</b>	<b>851,932</b>	<b>536,426</b>	<b>43,566</b>	<b>3,581</b>	<b>1,435,505</b>
<b>Changes from financing cash flows:</b>					
Proceeds from government loans	–	1,555,000	–	–	1,555,000
Capital element of lease rentals paid	–	–	–	(16,213)	(16,213)
Interest element of lease rentals paid	–	–	–	(909)	(909)
Interest paid	–	–	(27,211)	–	(27,211)
<b>Total changes from financing cash flows</b>	<b>–</b>	<b>1,555,000</b>	<b>(27,211)</b>	<b>(17,122)</b>	<b>1,510,667</b>
<b>Other changes:</b>					
Amortisation of deferred income	–	8,726	–	–	8,726
New lease contracts	–	–	–	87,779	87,779
Interest expenses (note 6(b))	–	–	–	909	909
Interest expense capitalised (note 6(b))	53	–	40,571	–	40,624
<b>Total other changes</b>	<b>53</b>	<b>8,726</b>	<b>40,571</b>	<b>88,688</b>	<b>138,038</b>
<b>As at 31 March 2024</b>	<b>851,985</b>	<b>2,100,152</b>	<b>56,926</b>	<b>75,147</b>	<b>3,084,210</b>

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 19. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

#### (b) Reconciliation of liabilities arising from financing activities (Continued)

	Medium term notes	Government loans	Interest payable	Lease liabilities	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>As at 1 April 2022</b>	851,880	527,699	35,184	7,305	1,422,068
<b>Changes from financing cash flows:</b>					
Capital element of lease rentals paid	–	–	–	(3,724)	(3,724)
Interest element of lease rentals paid	–	–	–	(69)	(69)
Interest paid	–	–	(27,212)	–	(27,212)
<b>Total changes from financing cash flows</b>	–	–	(27,212)	(3,793)	(31,005)
<b>Other changes:</b>					
Amortisation of deferred income	–	8,727	–	–	8,727
Interest expenses (note 6(b))	–	–	–	69	69
Interest expense capitalised (note 6(b))	52	–	35,594	–	35,646
<b>Total other changes</b>	52	8,727	35,594	69	44,442
<b>As at 31 March 2023</b>	851,932	536,426	43,566	3,581	1,435,505

#### (c) Total cash outflow for leases

	2024	2023
	HK\$'000	HK\$'000
Within financing cash flows and relating to lease rentals paid	17,122	3,793

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 20. ACCRUED CHARGES AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Accrued charges	1,368,811	1,376,960
Other payables (note)	91,217	61,621
	<b>1,460,028</b>	<b>1,438,581</b>

Note: Other payables are non-interest-bearing and are normally settled on 30-day terms.

### 21. DEPOSITS AND RENTAL RECEIVED IN ADVANCE

Deposits received from tenants of HK\$109,890,000 (2023: HK\$121,529,000) are expected to be settled after one year. The remaining balances are expected to be settled within one year.

### 22. GOVERNMENT LOANS

Government loans are repayable as follows:

	2024 HK\$'000	2023 HK\$'000
<b>Current</b>		
Amount due within one year (i)	1,555,000	–
<b>Non-current</b>		
Amount due over one year (ii)	545,152	536,426

The balance can be further analysed as follows:

	2024 HK\$'000	2023 HK\$'000
Balance at effective interest rate	2,100,152	536,426
Unamortised deferred income	54,848	63,574
Total outstanding balance with the Government	<b>2,155,000</b>	<b>600,000</b>

(i) The loan was drawn from the Government in 2024 for financing the final settlement of the development costs of AMC and Data Technology Hub. It is repayable to the Government by 15 annual instalments starting from March 2026. However, it is classified under current liabilities as, according to the term set out in the loan agreement between the Government and the Group, the loan will become immediate repayable by serving a written notice from the Government to the Group of not less than 6 months.

(ii) The loan was drawn from the Government in 2018 for the construction of Hong Kong Science Park Phase 3 and is repayable to the Government by 6 annual instalments starting from July 2025.

(iii) Both of the above-mentioned loans are unsecured and bearing interest at the "no-gain-no-loss" floating interest rate of the Government which ranged from 1.40% to 2.42% (2023: from 1.27% to 1.40%) per annum during the year.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 23. MEDIUM TERM NOTES

	2024 HK\$'000	2023 HK\$'000
<b>Current</b>		
Amount due within one year	851,985	–
<b>Non-current</b>		
Amount due over one year	–	851,932

10-year medium term notes (“MTN”) of HK\$852,000,000 were issued in July 2014 for the construction of Hong Kong Science Park Phase 3, with direct transaction costs of HK\$467,000.

The 10-year MTN bears interest at the fixed rate of 3.20% per annum and is repayable on 11 July 2024. The MTN are guaranteed by the Government.

### 24. DEFERRED INCOME

The balance mainly represents the value of assets granted by the Government in respect of the set-up of Hong Kong Science Park with the corresponding assets capitalised as property, plant and equipment at the date of grant. Such deferred income is recognised as income in the income statement to offset against the charges of depreciation of the relevant assets granted.

### 25. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2024		2023	
	Present value of future lease payments HK\$'000	Total future lease payments HK\$'000	Present value of future lease payments HK\$'000	Total future lease payments HK\$'000
Within 1 year	36,586	37,713	2,336	2,367
After 1 year but within 2 years	30,364	30,713	1,096	1,102
After 2 years but within 5 years	8,197	8,246	149	151
	<b>38,561</b>	<b>38,959</b>	1,245	1,253
	<b>75,147</b>	<b>76,672</b>	3,581	3,620
Less: total future interest expense		(1,525)		(39)
Present value of lease liabilities		<b>75,147</b>		3,581



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 26. ISSUED CAPITAL

	2024		2023	
	No. of shares ('000)	HK\$'000	No. of shares ('000)	HK\$'000
<b>Authorised, issued and fully paid:</b>				
At the beginning of the year	<b>26,949,398</b>	<b>26,949,398</b>	22,770,398	22,770,398
Issuance of new shares	–	–	4,179,000	4,179,000
At the end of the year	<b>26,949,398</b>	<b>26,949,398</b>	26,949,398	26,949,398

The Corporation was incorporated on 7 May 2001 by vesting all rights, obligations, assets and liabilities of Provisional Hong Kong Science Park Company Limited, Hong Kong Industrial Estates Corporation and Hong Kong Industrial Technology Centre Corporation.

The Corporation's initial capital of HK\$1,836,397,594 represented the net assets of the three entities vested in the Corporation on that day in accordance with section 17 of the Ordinance. Subsequently, over the prior years, additional 20,934,000,000 ordinary shares of HK\$1 each were issued at par to the Government for cash.

On 5 February 2021, Finance Committee of the Legislative Council approved the injection of HK\$18,135,000,000 as equity to the Corporation to support Hong Kong – Shenzhen Innovation and Technology Park Limited ("HSITP"), a subsidiary of the Corporation, to commence its park development in the Loop. The equity injection from the Government is effected in tranches. The first and second tranches of equity injection of HK\$1,586,000,000 and HK\$2,593,000,000 were made on 30 June 2022 and 10 March 2023 respectively. The authorised share capital was increased by a total of 4,179,000,000 shares which were issued at par value of HK\$1 each accordingly.

At the end of the reporting period, the entire amount of 26,949,397,594 shares of HK\$1 each of the Corporation was registered under The Financial Secretary Incorporated, a corporation solely established under the Financial Secretary Incorporation Ordinance (Chapter 1015 of the Laws of Hong Kong) which is wholly owned by the Government.

### 27. OPERATING LEASE ARRANGEMENTS

#### As lessor

The Group leases its properties under operating lease arrangement, with leases negotiated for terms ranging from one to six years. The terms of the leases generally require tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2024	2023
	HK\$'000	HK\$'000
Within one year	<b>1,318,619</b>	1,166,122
After 1 year but within 2 years	<b>840,234</b>	816,364
After 2 years but within 3 years	<b>409,726</b>	414,842
After 3 years but within 4 years	<b>148,015</b>	141,315
After 4 years but within 5 years	<b>63,476</b>	96,569
After 5 years	<b>187,108</b>	473,172
	<b>2,967,178</b>	3,108,384

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 28. COMMITMENTS

#### As lessor

At 31 March 2024, the Group had the following capital commitments at the end of the reporting period:

	2024	2023
	HK\$'000	HK\$'000
Authorised, but not contracted for:		
– construction of the Science Park, the Loop and their ancillary facilities	13,064,611	19,392,157
– development projects in InnoParks	876,442	2,206,481
	<b>13,941,053</b>	21,598,638
Contracted, but not provided for:		
– construction of the Science Park, the Loop and their ancillary facilities	5,892,860	1,411,318
– development projects in InnoParks	1,681,954	1,641,468
	<b>7,574,814</b>	3,052,786

### 29. MATERIAL RELATED PARTY TRANSACTIONS

The Corporation is wholly owned by the Government. Transactions between the Group and Government departments, agencies or Government controlled entities are considered to be related party transactions and identified separately in these financial statements.

- (a) In addition to the balances and transactions disclosed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	2024	2023
Note	HK\$'000	HK\$'000
With the Government:		
Financial guarantee received on MTN issued	23	852,000
Interest expenses on government loans	6(b)	13,285
With the Government's controlled-entities:		
Rental income	(i)	185,472
Property management fee and air-conditioning income	(i)	58,727
Equipment rental and procurement sales income	(i)	5,240

Note:

- (i) All these income from the Government's controlled entities were determined according to terms similar to those offered to the Group's third party tenants.

- (b) The Government granted loans of HK\$600,000,000 and HK\$1,555,000,000 to the Group to be repaid by annual instalments according to the repayment schedules issued by the Government. The loans bear interest at the Government's 'no-gain-no-loss' interest rate (note 22).
- (c) No directors received any remunerations in respect of their services rendered to the Group during the year (2023: Nil).

Details of the remuneration of the five non-directors and highest paid employees, including the CEO of the Corporation are disclosed in note 9 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 30. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group's exposure to interest rate risk, credit risk and liquidity risk arises in the normal course of its operations. These risks are managed based on the Group's financial management policies and practices described below:

#### (a) Interest rate risk

The cash flow interest rate risk relates primarily to the Group's variable-rate government loans. The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

#### *Sensitivity analysis*

The Group's sensitivity to interest rate risk has been determined based on the exposure to interest rates for the above-mentioned financial instruments at the end of the reporting period. The analysis is prepared assuming the amount of variable-rate government loans during the year was the amount for the whole year.

If interest rate had been 100 basis points higher/lower and all other variables were held constant, the Group's deficit for the year ended 31 March 2024 would increase/decrease by HK\$21,550,000 (2023: surplus would decrease/increase by HK\$6,000,000).

#### (b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to accounts and other receivables and finance lease receivable. The Group's exposure to credit risk arising from cash and cash equivalents and bank deposits is limited because the counterparties are major financial institutions in Hong Kong and PRC, for which the Group considers to have low credit risk.

In respect of accounts receivable, the Group maintains a defined credit policy, including credit evaluation on tenants and payment of a rental deposit is required. These evaluations focus on the tenant's past history of making payments when due and current ability to pay, and take into account information specific to the tenant as well as pertaining to the economic environment in which the tenant operates.

The Group measures loss allowances for accounts receivable at an amount equal to lifetime ECLs, which is calculated using a provision matrix. Given the Group has not experienced any significant credit losses in the past, the allowance for expected credit losses is insignificant.

In respect of finance lease receivable, there is no significant increase in credit risk since initial recognition, the loss allowance recognised during the year was therefore limited to 12-months expected credit losses. Management considers the probability of default is low, since the counterparty is in good credit quality.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 30. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (c) Liquidity risk

Liquidity risk related to the risk that the Group will not be able to meet its obligation associated with its financial liabilities. In managing the liquidity risk, the Group monitors its liquidity requirements to ensure it maintains a level of cash and cash equivalents deemed adequate by management and adequate level of available loan facilities to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturities for its financial liabilities. The table has been drawn up to reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, Government loans of HK\$1,578,342,000 with a repayment on demand clause are included in within 4–12 months time band regardless of the probability of the Government choosing to exercise such right.

	2024					
	On demand or less than 3 months	Within 4–12 months	2–5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Accrued charges and other payables	1,460,028	–	–	–	1,460,028	1,460,028
Deposits	348,274	20,529	96,386	13,504	478,693	478,693
Government loans	–	1,578,342	489,272	244,636	2,312,250	2,100,152
Medium term notes	–	865,595	–	–	865,595	851,985
Lease liabilities	10,707	27,006	38,959	–	76,672	75,147
	<b>1,819,009</b>	<b>2,491,472</b>	<b>624,617</b>	<b>258,140</b>	<b>5,193,238</b>	<b>4,966,005</b>
	2023					
	On demand or less than 3 months	Within 4–12 months	2–5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Accrued charges and other payables	1,438,581	–	–	–	1,438,581	1,438,581
Deposits	318,186	26,831	105,969	15,560	466,546	466,546
Government loans	–	–	361,836	361,836	723,672	536,426
Medium term notes	–	21,438	865,520	–	886,958	851,932
Lease liabilities	625	1,742	1,253	–	3,620	3,581
	<b>1,757,392</b>	<b>50,011</b>	<b>1,334,578</b>	<b>377,396</b>	<b>3,519,377</b>	<b>3,297,066</b>

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 30. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (c) Liquidity risk – Continued

Despite the fact that the Government loan with a repayment on demand clause is included in “within 4–12 months” time band in the above maturity analysis, taking into account the Group’s financial position, management believes that it is unlikely the Government will exercise its discretionary right to demand earlier payment and such government loan with carrying amount of HK\$1,555,000,000 (2023: Nil) will be repayable, together with interest, in accordance with the scheduled repayment dates set forth in the loan agreement as follows:

	On demand or less than 3 months HK\$’000	Within 4–12 months HK\$’000	2–5 years HK\$’000	Over 5 years HK\$’000	Total undiscounted cash flows HK\$’000	Carrying amount HK\$’000
31 March 2024	–	–	650,359	1,303,589	1,953,948	1,555,000

#### (d) Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its operations and maximise stakeholders’ value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares or raising additional debt. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 2023.

The Group monitors capital by the use of funding from the Government. Accordingly, in the opinion of the directors, the presentation of the quantitative capital management analysis of the Group would provide no additional useful information to the users of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

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### 30. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (e) Fair value measurement

##### *Financial assets measured at fair value*

##### Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at fair value at the end of the reporting period categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	2024			
	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other financial assets				
– Listed	8,023	–	–	8,023
– Unlisted	–	170,189	160,794	330,983
Financial assets at FVPL				
– Unlisted	–	35,038	308,509	343,547
	<b>8,023</b>	<b>205,227</b>	<b>469,303</b>	<b>682,553</b>

	2023			
	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other financial assets				
– Listed	31,686	–	–	31,686
– Unlisted	–	253,970	68,535	322,505
Financial assets at FVPL				
– Unlisted	–	28,994	199,347	228,341
	<b>31,686</b>	<b>282,964</b>	<b>267,882</b>	<b>582,532</b>

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 30. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (e) Fair value measurement (Continued)

##### *Financial assets measured at fair value (Continued)*

Fair value hierarchy (Continued)

Some other financial assets and financial assets at FVPL of HK\$161,903,000 (2023: HK\$45,804,000) and HK\$12,763,000 (2023: HK\$48,431,000) were transferred from Level 2 to Level 3 of the fair value hierarchy respectively at 31 March 2024 because information previously used was no longer available. Another other financial assets and financial assets at FVPL of HK\$35,441,000 (2023: HK\$28,952,000) and HK\$9,984,000 (2023: HK\$2,420,000) were transferred from Level 3 to Level 2 of the fair value hierarchy respectively at 31 March 2024 because new information became available.

Valuation techniques

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These includes recent financing made by investors. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The Level 3 includes financial instruments of which their values are based on unobservable inputs. These are call options with zero strike price and certain investments through simple agreement for future equity. Their values are calculated by adjusted net asset value approach, adjusted recent financing approach, market comparable companies method, trending method, adopted value in prior year, binomial model or scenario probability weighted method.

### 31. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards, which are not yet effective for the year ended 31 March 2024 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments") <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants (the "2022 Amendments") <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 16	Leases Liability in a Sale and Leaseback <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>4</sup>
Hong Kong Interpretation 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>1</sup>

Notes:

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 31. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. It has concluded that the adoption of the above-mentioned amendments and new standards in the future is not expected to have significant impact on the Group's consolidated financial statements except for the following:

- (i) The directors anticipate that the adoption of HKFRS 18 may change the presentation of consolidated income statement and more disclosures would be made.
- (ii) The directors expect that amendments to HKFRS 9 and HKFRS 7 may have potential impact on the classification and measurement of financial instruments that would have on the Group's consolidated financial statements.

### 32. LIST OF PRINCIPAL SUBSIDIARIES

At 31 March 2024, the particulars of the Corporation's principal subsidiaries are as follows:

Name of subsidiary	Place of incorporation and operations	Particulars of issued and paid up capital	Group's effective interest	Principal activity
DP (Data Platform) Limited	Hong Kong	HK\$10,000	100%	To provide commercial advisory services
HKSTP Strategic Partnerships Limited	Hong Kong	HK\$10,000	100%	Co-incubation
STP Asset Holding Limited	Hong Kong	HK\$10,000	100%	Investment holding
STP Asset (Elite) Holding Limited	Hong Kong	HK\$10,000	100%	Investment holding
STP Corporate Venture Limited	Hong Kong	HK\$10,000	100%	Investment holding
STP Platform Limited	Hong Kong	HK\$10,000	100%	Digital services
Hong Kong – Shenzhen Innovation and Technology Park Limited	Hong Kong	HK\$4,179,010,000	100%	To establish and develop an Innovation and Technology Park at the Lok Ma Chau Loop
香港科技園(深圳)有限公司	PRC	HK\$104,257,855	100%	To establish and develop an Innovation and Technology Park in Shenzhen
STP Investment Holding Limited	Hong Kong	HK\$10,000	100%	Investment holding
STP China Holding Limited	Hong Kong	HK\$1,000	100%	Investment holding
CVF THREE Limited	Hong Kong	HK\$1,000	100%	Investment holding
CVF FIVE Limited	Hong Kong	HK\$1,000	100%	Investment holding
CVF SIX Limited	Hong Kong	HK\$1,000	100%	Investment holding
CVF EIGHT Limited	Hong Kong	HK\$1,000	100%	Investment holding
CVF NINE Limited	Hong Kong	HK\$1,000	100%	Investment holding
CVF TEN Limited	Hong Kong	HK\$1,000	100%	Investment holding



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

### 32. LIST OF PRINCIPAL SUBSIDIARIES (CONTINUED)

At 31 March 2024, the particulars of the Corporation's principal subsidiaries are as follows: (Continued)

Name of subsidiary	Place of incorporation and operations	Particulars of issued and paid up capital	Group's effective interest	Principal activity
CVF ELEVEN Limited	Hong Kong	HK\$1,000	100%	Investment holding
CVF TWELVE Limited	Hong Kong	HK\$1,000	100%	Investment holding
CVF FOURTEEN Limited	Hong Kong	HK\$1,000	100%	Investment holding
CVF FIFTEEN Limited	Hong Kong	HK\$1,000	100%	Investment holding
STP Beryllium Limited	Hong Kong	HK\$1,000	100%	Investment holding
STP Boron Limited	Hong Kong	HK\$1,000	100%	Investment holding
STP Carbon Limited	Hong Kong	HK\$1,000	100%	Investment holding
STP Hydrogen Limited	Hong Kong	HK\$1,000	100%	Investment holding
STP Helium Limited	Hong Kong	HK\$1,000	100%	Investment holding
STP Lithium Limited	Hong Kong	HK\$1,000	100%	Investment holding
STP Nitrogen Limited	Hong Kong	HK\$1,000	100%	Investment holding
STP Corporate Venture III Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Alfvén Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Braginskii Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Cabibbo Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Dalembert Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Elsasser Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Fraunhofer Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Ginzburg Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Hadamard Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Isometry Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Jacobian Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Klimontovich Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Langevin Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Majorana Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Noether Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Onsager Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Polyakov Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Quasineutrality Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Riesz Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Shubnikov Limited	Hong Kong	HK\$1,000	100%	Investment holding

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(Expressed in Hong Kong dollars unless otherwise indicated)

### 32. LIST OF PRINCIPAL SUBSIDIARIES (CONTINUED)

At 31 March 2024, the particulars of the Corporation's principal subsidiaries are as follows: (Continued)

<b>Name of subsidiary</b>	<b>Place of incorporation and operations</b>	<b>Particulars of issued and paid up capital</b>	<b>Group's effective interest</b>	<b>Principal activity</b>
Primus Tonks Limited	Hong Kong	HK\$1,000	100%	Investment holding
Primus Uhlenbeck Limited	Hong Kong	HK\$1,000	100%	Investment holding
HKSTP IEC Limited	Hong Kong	HK\$10,000	100%	Advisory
Hong Kong Science and Technology Parks Corporation (Talent Services) Limited	Hong Kong	HK\$10,000	100%	Recruitment Agency

### 33. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The third tranche of equity injection of HK\$3,668,000,000 to support Hong Kong – Shenzhen Innovation and Technology Park Limited, a subsidiary of the Corporation, to continue its park development in the Loop were made on 5 July 2024. The authorised share capital was increased from HK\$26,949,397,594 to HK\$30,617,397,594 with the issuance of 3,668,000,000 shares at par value of HK\$1 each accordingly.