

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION
OF THE PEOPLE'S REPUBLIC OF CHINA**

AND

THE GOVERNMENT OF THE STATE OF ISRAEL

**ON BILATERAL COOPERATION
IN INDUSTRIAL RESEARCH AND DEVELOPMENT**

The Government of the Hong Kong Special Administrative Region of the People's Republic of China and the Government of the State of Israel (hereinafter referred to as the "**Participants**");

DESIRING to develop and strengthen economic, industrial, technological and commercial cooperation between the Hong Kong Special Administrative Region of the People's Republic of China and the State of Israel;

RECOGNIZING that the challenges of stimulating innovation and economic growth are of mutual concern to both Participants;

CONSIDERING the mutual interest in making progress in the fields of industrial research and development (hereinafter referred to as Industrial "**R&D**") and the resulting advantages for both Participants;

DESIRING to enhance their industrial competitiveness through cooperation in Industrial R&D projects;

RESOLVING to undertake a sustained effort to promote, facilitate and support joint Industrial R&D projects, between businesses, corporations or entities (hereinafter referred to as "**Entity**" or "**Entities**") from the Hong Kong Special Administrative Region of the People's Republic of China and from the State of Israel;

Have reached the following Memorandum of Understanding (hereinafter referred to as "**MOU**");

Section I – Objectives and Scope

1. The Participants determine that the objectives of this MOU are:
 - (a) To promote the activities of their respective industrial sectors to intensify bilateral Industrial R&D cooperation;
 - (b) To facilitate the identification of specific projects, partnerships or collaborations between Entities from the Hong Kong Special Administrative Region of the People's Republic of China and from the State of Israel that could lead to Industrial R&D cooperation;
 - (c) To coordinate and focus suitable government resources and programs to support Industrial R&D cooperation and commercial exploitation of results of Industrial R&D cooperation projects;
 - (d) To give expression to the initiative by establishing a framework for using the available assistance schemes of the Participants to support jointly approved Industrial R&D cooperation projects between Entities from the Hong Kong Special Administrative Region of the People's Republic of China and from the State of Israel leading to commercialization in the global market.
2. The implementation of this MOU and any activity hereunder will be in accordance with the respective applicable laws, regulations, rules, procedures and mechanisms of each Participant.

Section II – Definition

For the purpose of this MOU, Industrial R&D means inter alia, research, development and demonstration activities intended to develop new products or processes to be commercialized in the global market.

Section III - Cooperating Authorities

The Innovation and Technology Commission on behalf of the Government of the Hong Kong Special Administrative Region of the People's Republic of China and the Office of the Chief Scientist of the Ministry of Economy on behalf of the Government of the State of Israel will be in charge for the implementation of this MOU and will serve as the Cooperating Authorities for the purposes of this MOU. The Cooperating Authorities will be responsible for their respective costs in promoting and administering the objectives of this MOU such as traveling expenses, organization of seminars and publications.

Section IV – Industrial R&D Projects

1. The Participants within their competence and according to their applicable internal laws, regulations, rules, procedures and mechanisms will facilitate, support and encourage cooperation projects in Industrial R&D undertaken by Entities from the Hong Kong Special Administrative Region of the People's Republic of China and from the State of Israel, for joint development and subsequent joint management and marketing of products or processes based on new innovative technologies to be commercialized in the global market (hereinafter referred to as "**Project**" or "**Projects**").
2. Each Entity cooperating in a Project will be subject to the provisions of the applicable internal laws, regulations, rules, procedures and mechanisms of the Hong Kong Special Administrative Region of the People's Republic of China and of the State of Israel, respectively, with respect to assistance and funding of Projects provided by its own government, including the level of support and the terms and conditions under which that support may be provided, and if applicable, the obligation to pay royalties.
3. The facilitation and stimulation of the Projects, may comprise, inter alia, the following forms and methods:
 - (a) Organization of meetings for Entities from the Hong Kong Special Administrative Region of the People's Republic of China and from the State of Israel to jointly assess cooperation opportunities;
 - (b) Performance of any other activities to promote possibilities for cooperation between Entities from the Hong Kong Special Administrative Region of the People's Republic of China and from the State of Israel.

Section V - Fair and Equitable Treatment

Subject to their applicable internal laws, regulations, rules, procedures and mechanisms, each Participant will accord fair and equitable treatment to the individuals, government agencies and other Entities of the other Participant engaged in the pursuit of activities under this MOU.

Section VI - Disclosure of information

1. Each Participant commits itself, subject to its applicable internal laws, regulations, rules, procedures and mechanisms not to transmit, without written approval of the other Participant, information concerning the results obtained from the cooperative programs for Industrial R&D covered under this MOU to a third person, organization, or to any other country, state or jurisdiction.
2. Each Participant will notify the other immediately upon any requirement arising under which it might be compelled by law to disclose information or documents relating to this MOU which would otherwise be subject to confidentiality.
3. The Participant required to disclose will in any event use its best endeavors to ensure that the person obtaining disclosure of the information in these circumstances protects the confidentiality at all times and observes the provisions of this MOU.

Section VII - Intellectual Property Rights (IPR)

1. The cooperating Entities to Projects supported under this MOU will be required to submit to the Participants evidence of contractual arrangements between them relating to the performance of the Project; commercialization of the Project's results; royalties and intellectual property rights, in particular:
 - (a) The ownership and use of know-how and intellectual property owned by the cooperating Entities to the Project prior to the Project;
 - (b) Arrangements for the ownership and use of know-how and intellectual property to be created in the course of the Project.
2. Notwithstanding the provisions of paragraph 1 above, it will be the responsibility of the cooperating Entities to Projects supported under this MOU to safeguard their own interests.
3. Scientific and technological information of a non-proprietary nature arising from the cooperative activities under this MOU may be made available to the public through appropriate channels.

Section VIII - Final Provisions

1. Each Participant will notify the other Participant, in writing, through customary channels, of the completion of its internal procedures required for bringing this MOU into effect. This MOU will come into effect on the date of the latter notification.

2. This MOU will remain in effect until either Participant terminates it. Either Participant may terminate this MOU by written notification through customary channels to the other Participant. This MOU will cease to have effect six (6) months after the date of such notification.
3. This MOU may be amended, in writing, by mutual consent of the Participants. Any such amendment will come into effect in accordance with the procedure set forth in paragraph 1 of this Section.
4. The amendment or termination of this MOU will not affect the validity of arrangements and contracts already concluded.
5. This MOU does not intend to create any binding obligations under domestic or international law between the Participants.

Signed in duplicate at Hong Kong on the 17 day of February 2014, corresponding to the 17 day of Adar A of 5774, in the Hebrew calendar, each in the Hebrew and English languages all texts being equally valid. In case of divergence of interpretation, the English text will prevail.

**For the Government
of the Hong Kong Special
Administrative Region
of the People's Republic of China**

**For the Government
of the State of Israel**