

Hong Kong Science Park – Optimising Synergies

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Hong Kong Science Park

- Statutory body incorporated in 2001 under Hong Kong Science and Technology Parks Corporation Ordinance
- Operate according to commercial principles
- Board comprises non-executive Chairman and 15 non-executive directors from a wide range of backgrounds

Role of Government

- Essentially the only shareholder
- Made available site
- Provided initial funding for hard and soft infrastructure – US\$1 billion
- Thereafter Corporation on it own and has to make ends meet

New Ideas, New Ways



Economic Growth



Sustained increase
in
GDP per capita

Economic growth is underpinned by
technological progress – new and better ways
of doing things

Initial Drivers

- Effect of the Asian financial crisis on the wider economy
- Traditional economic pillars of finance and services being challenged
- Urgent need to build a knowledge-based, more balanced and diversified economy
- Major potential for technology-based innovation to influence/change our lives for the better

HKSTP – Vision

- To be the flagship for technology industry innovation in Hong Kong
- To position Hong Kong as a major international centre for innovation and technology development for high value-adding, skill-intensive manufacturing and service industries

Hong Kong Science & Technology Parks Corporation



Location of Science Park



HKSTP – Mission

- To provide quality infrastructure and support facilities for innovation and development of selected technology clusters
- To provide full-service incubation programme for technology start-ups
- To foster partnership and collaboration between industry and universities and applied research institutes

HKSTP - Campus

- State-of-the-art physical and soft infrastructure
- Three-phase development with Phase 1 and 2 currently comprising 20 buildings
- Ultimate development will cover 330,000 square metres
- Knowledge-based campus environment occupying 22 hectares
- Home for 250 companies ranging from start-ups to established multi-nationals



ILLUSTRATIVE MASTER LAYOUT PLAN

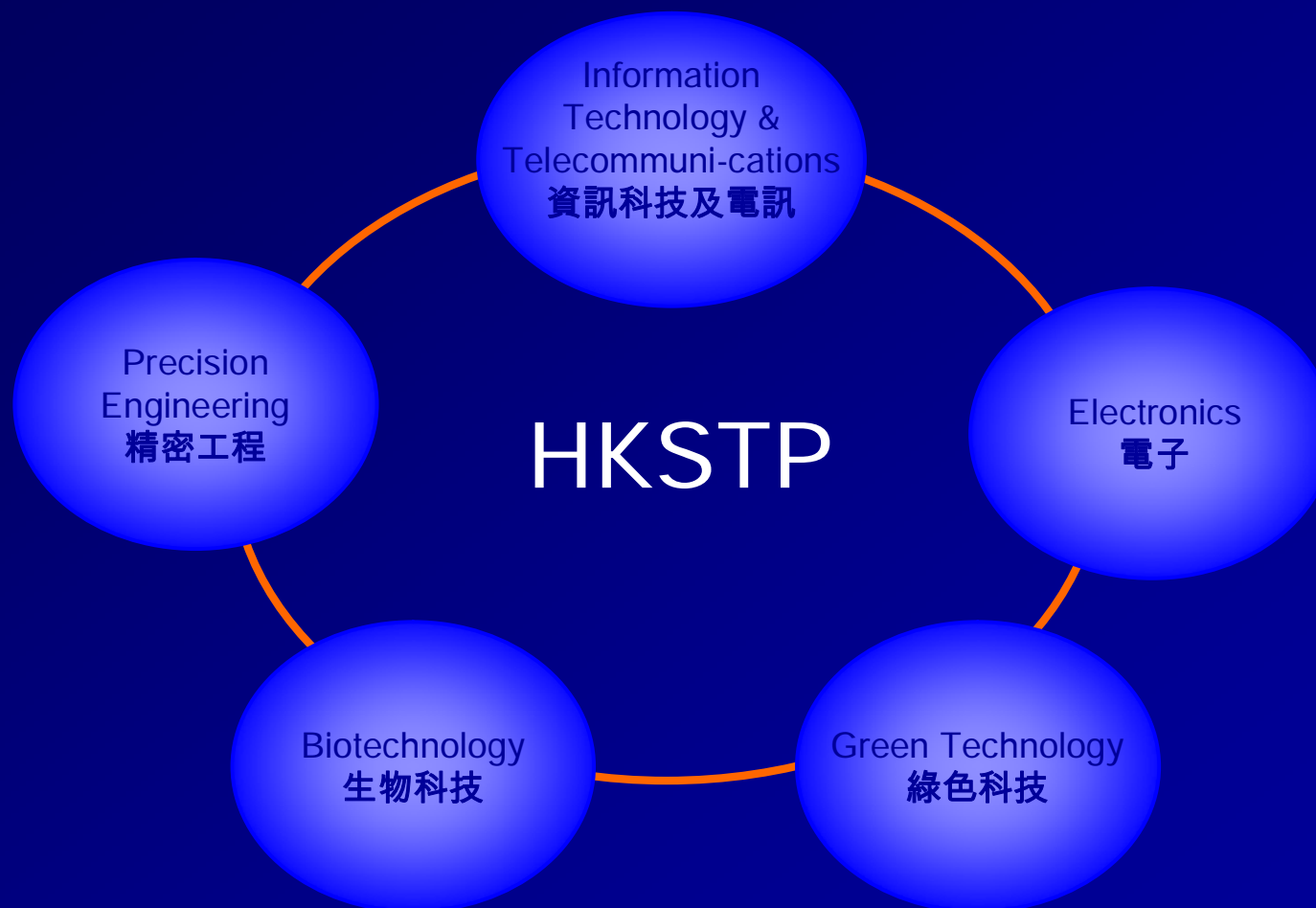


Companies in HK Science Park

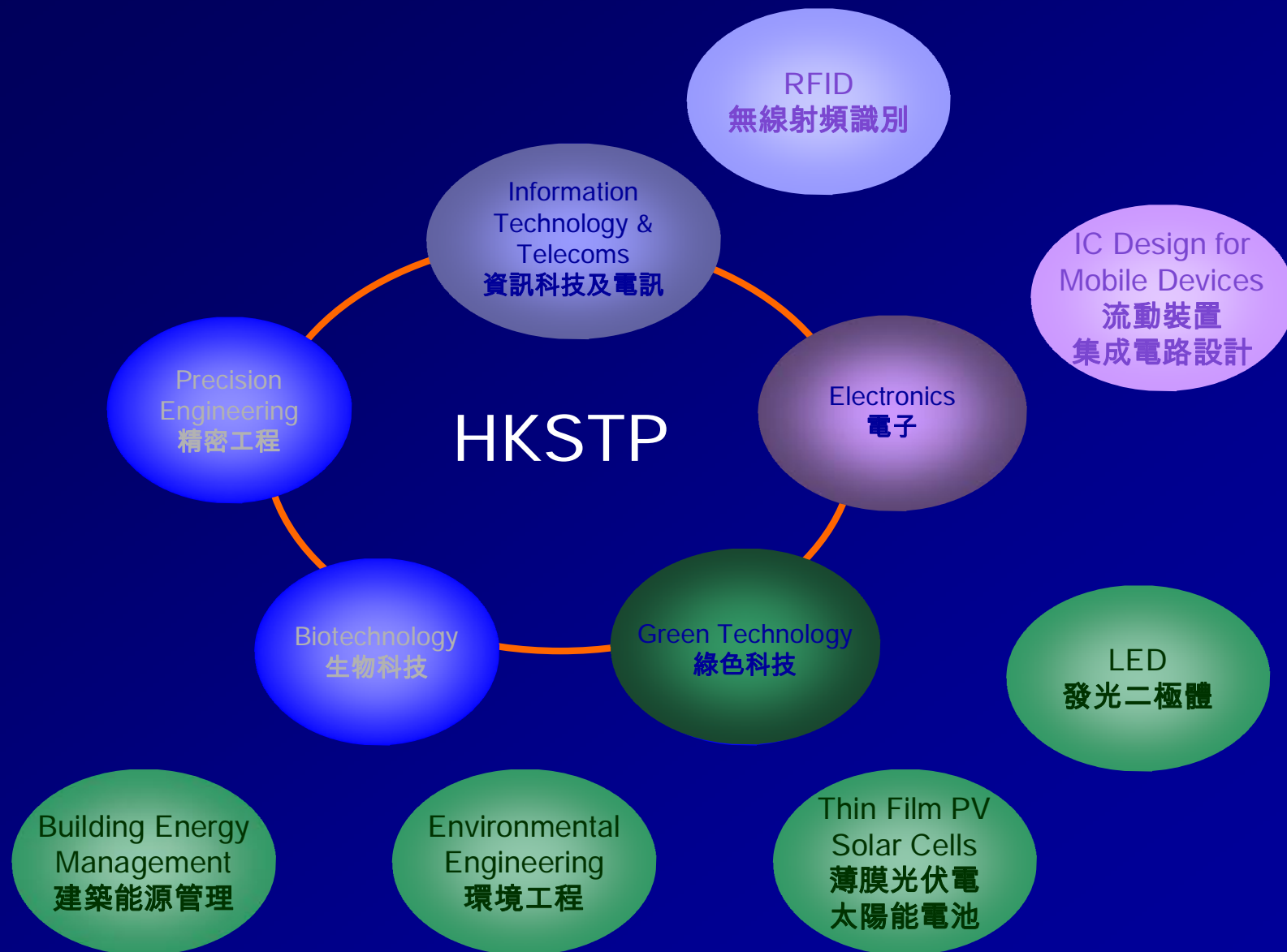
- Hong Kong
- USA
- Mainland China
- Japan
- Taiwan
- France
- Germany
- Netherlands
- Singapore
- UK
- Canada
- Austria
- Belgium
- Korea
- Sweden
- Denmark
- Norway
- New Zealand
- Italy



Creating Clustering Synergy



World-class Niche Technologies

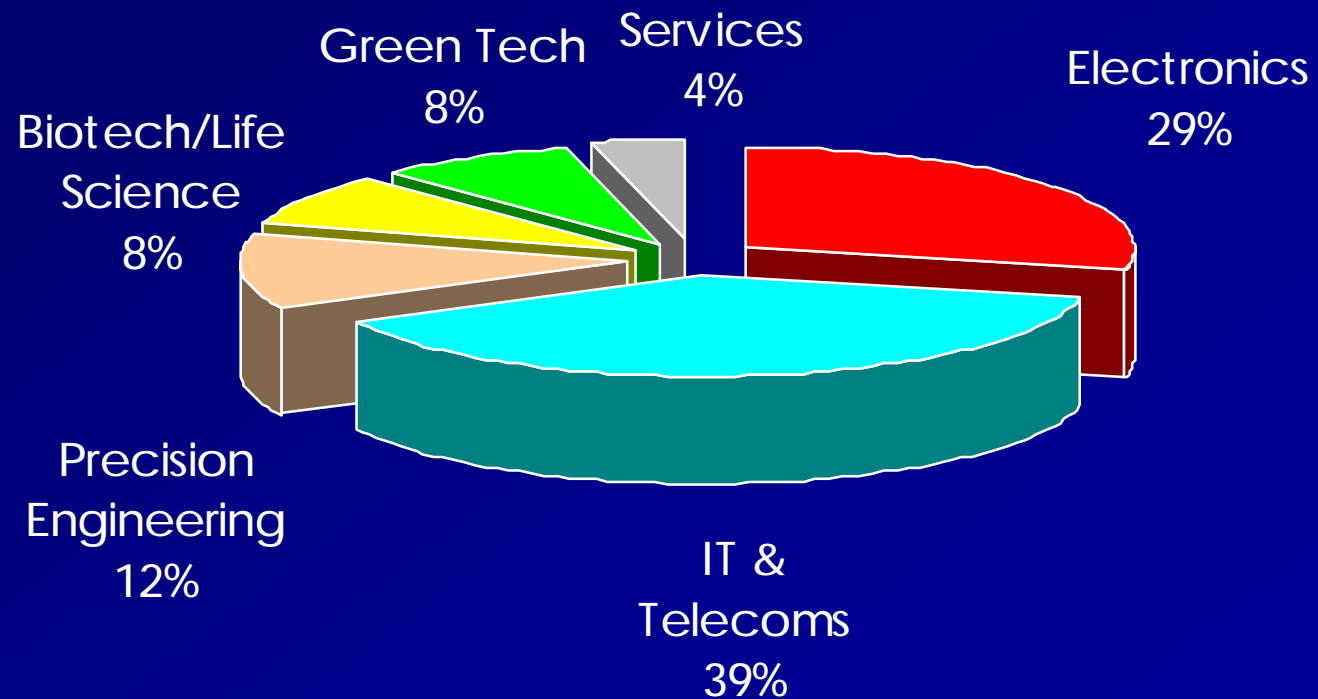


Cluster Distribution

(as at 31 Aug 2009)

Partner Companies + Incubatees

Total No. of Companies = 279



Services

- Technical support
- Incubation Programme
- R&D commercialisation and raising of angel fund
- Networking and mentoring support
- Universities and industry collaboration
- Talent Pool Programme
- Training and education

Incubation Programme

- 100 companies currently in programme
- 213 companies incubated to date including four IPOs
- Active angel/venture capital raising programme (raised HK\$584m since 2003)
- Incubatees from all five clusters

Technology Support Laboratories

- Integrated Circuit Design & Development Support Centres
- Reliability Laboratory
- Materials Analysis Laboratory
- Biotechnology Laboratories
- Photovoltaic Test Lab
- Intellectual Property Servicing Centre
- Wireless Communication Test Centre
- Solid State Lighting Test Centre
- Hong Kong RFID Centre



**Development support through
laboratory services from design
to production release within a 15
minutes walk**

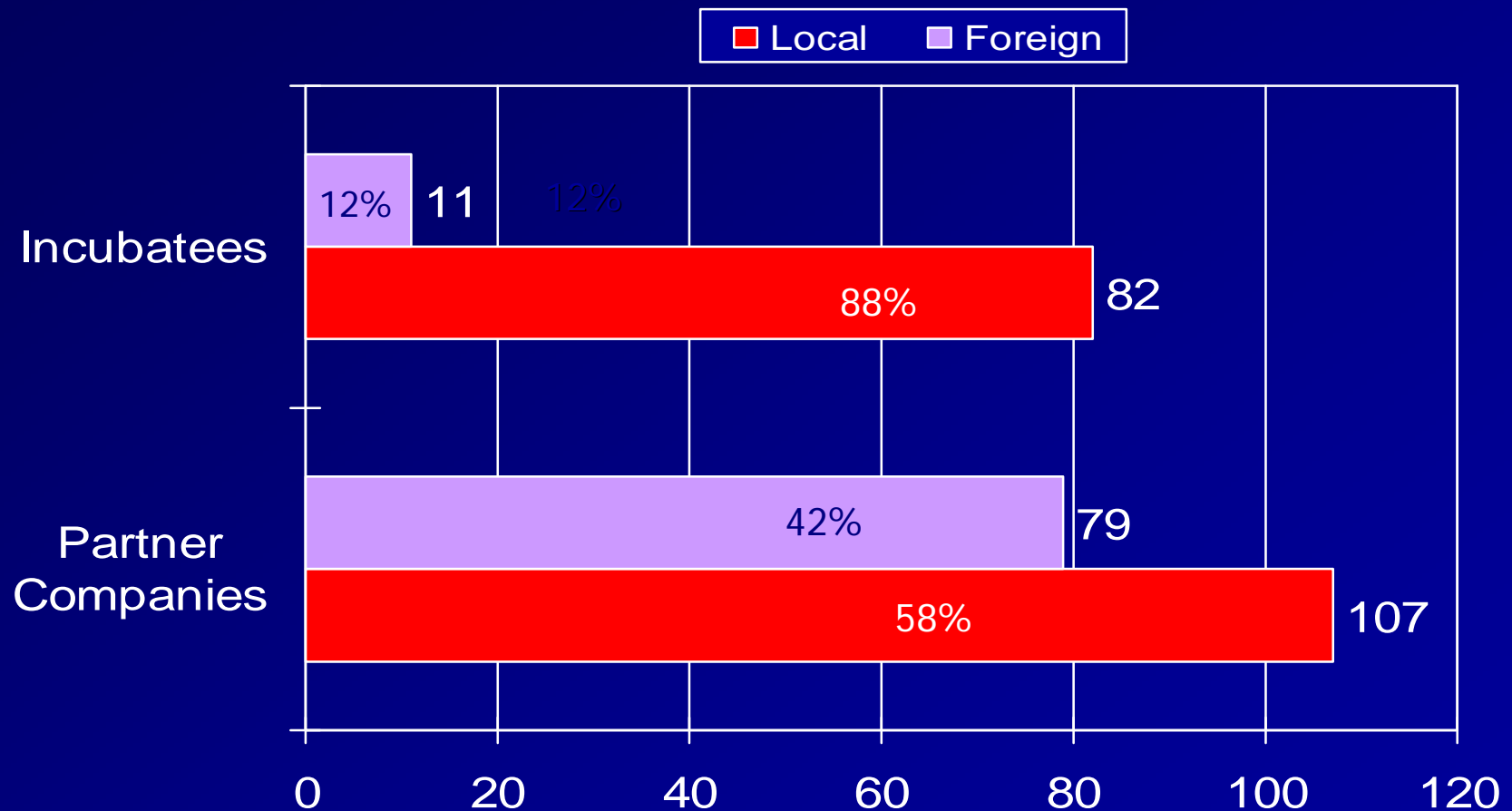
Other Soft Infrastructure

- Indoor exhibition area & technology exposition
- Auditorium & Conference Centre
- Business Centre
- Serviced Apartments
- Fitness and Recreation Club
- Lakeside alfresco amenity areas
- Retail & dining facilities
- Banking services
- Medical clinic
- Bakery shop



Supporting Local Companies

(as at 31 Aug 2009)



Hong Kong Science Park Enabling Growth and Innovation

Phase 1 + 2 (Current)

279 Companies

7,000 People

- R&D: 4000
- Supporting staff: 3000

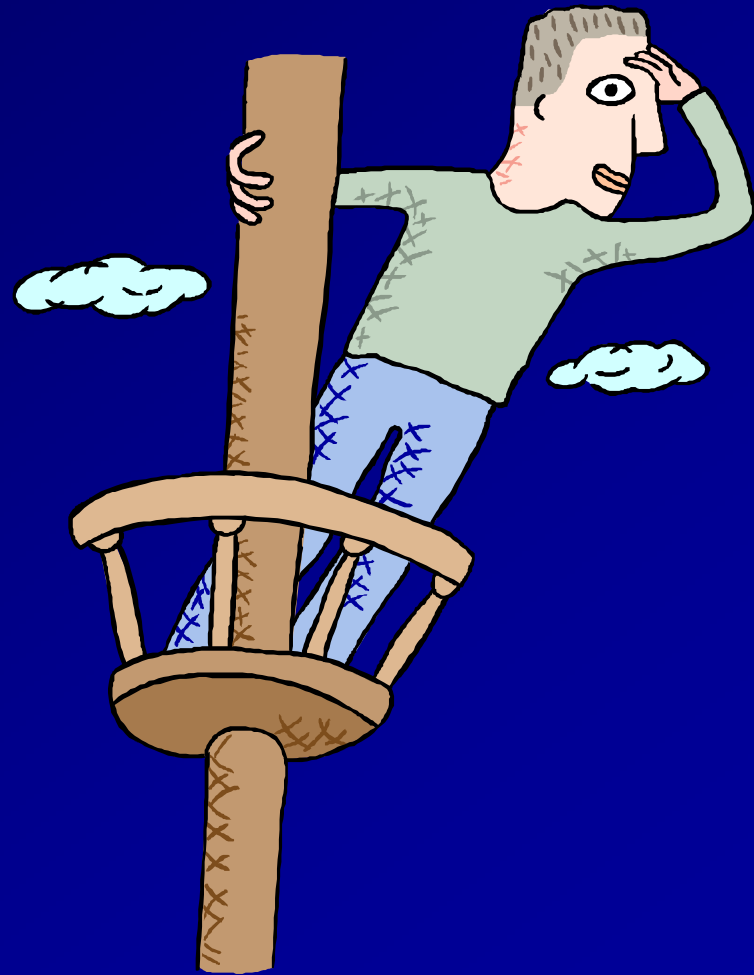
**Estimated 2009
Annual Turnover
HK\$62b**

Phase 1 + 2 + 3 (Projected)

450 Companies

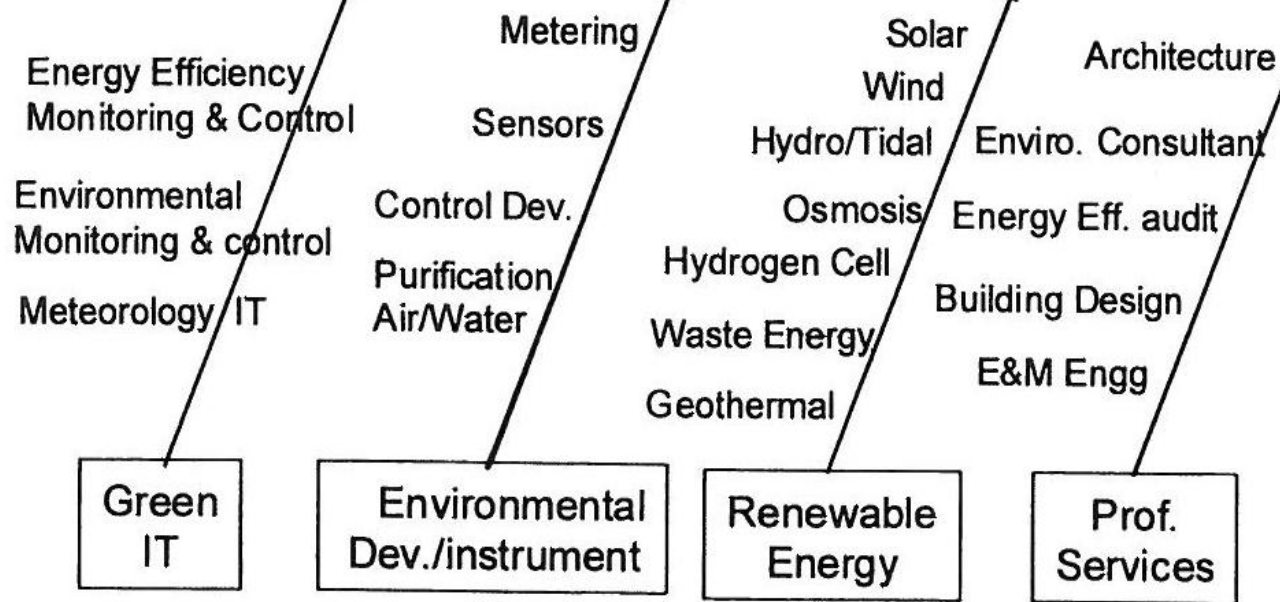
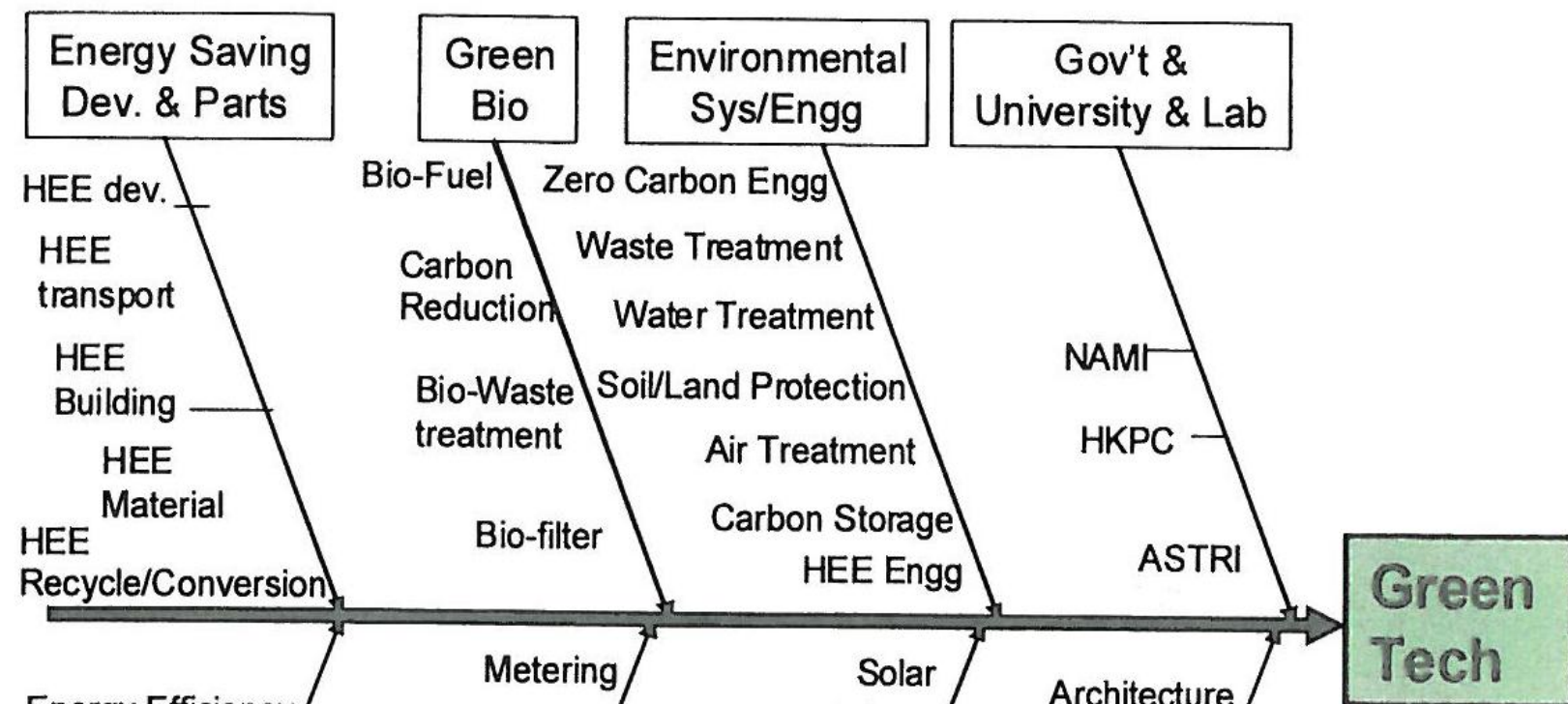
15,000 People

Looking Ahead



Science Park – Phase 3

- HKSTP plans to develop Phase 3 as a green tech cluster focusing renewable energy and environmental industries and green technology development and internationalisation
- Commissioned Ove Arup to undertake Sustainability Master Planning Study
- Plans to commission study to identify focus areas in green tech which would best position Hong Kong and most benefit the Mainland



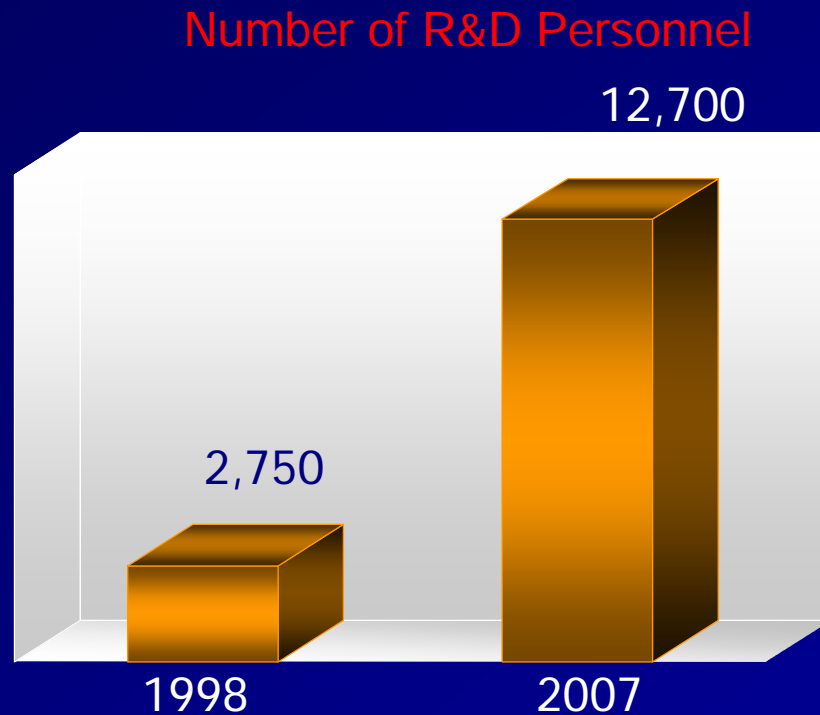
- Priority Tech**
1. Solar – PV
 2. HEE Bldg
 3. HEE Dev.
 4. HEE Transport
 5. Bio-fuel

Challenges

- Low understanding and acceptance of R&D in business community
- Private investment in R&D is low
- Limited VC to support developing companies, especially incubatees

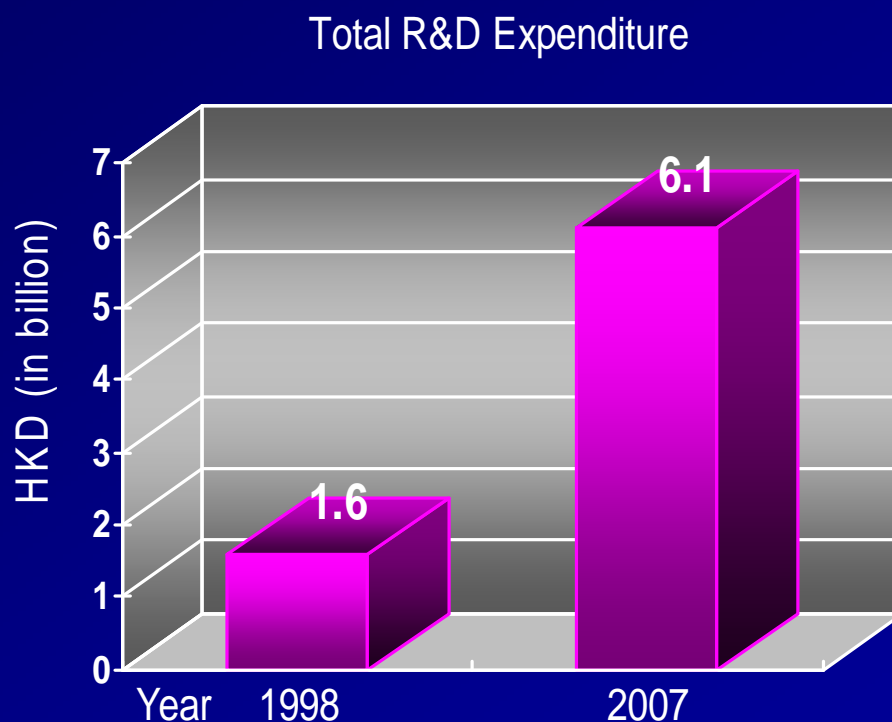
Overview of Technology Development in Hong Kong

The number of R&D personnel in business sector in 2007 was 4.6 times over that in 1998

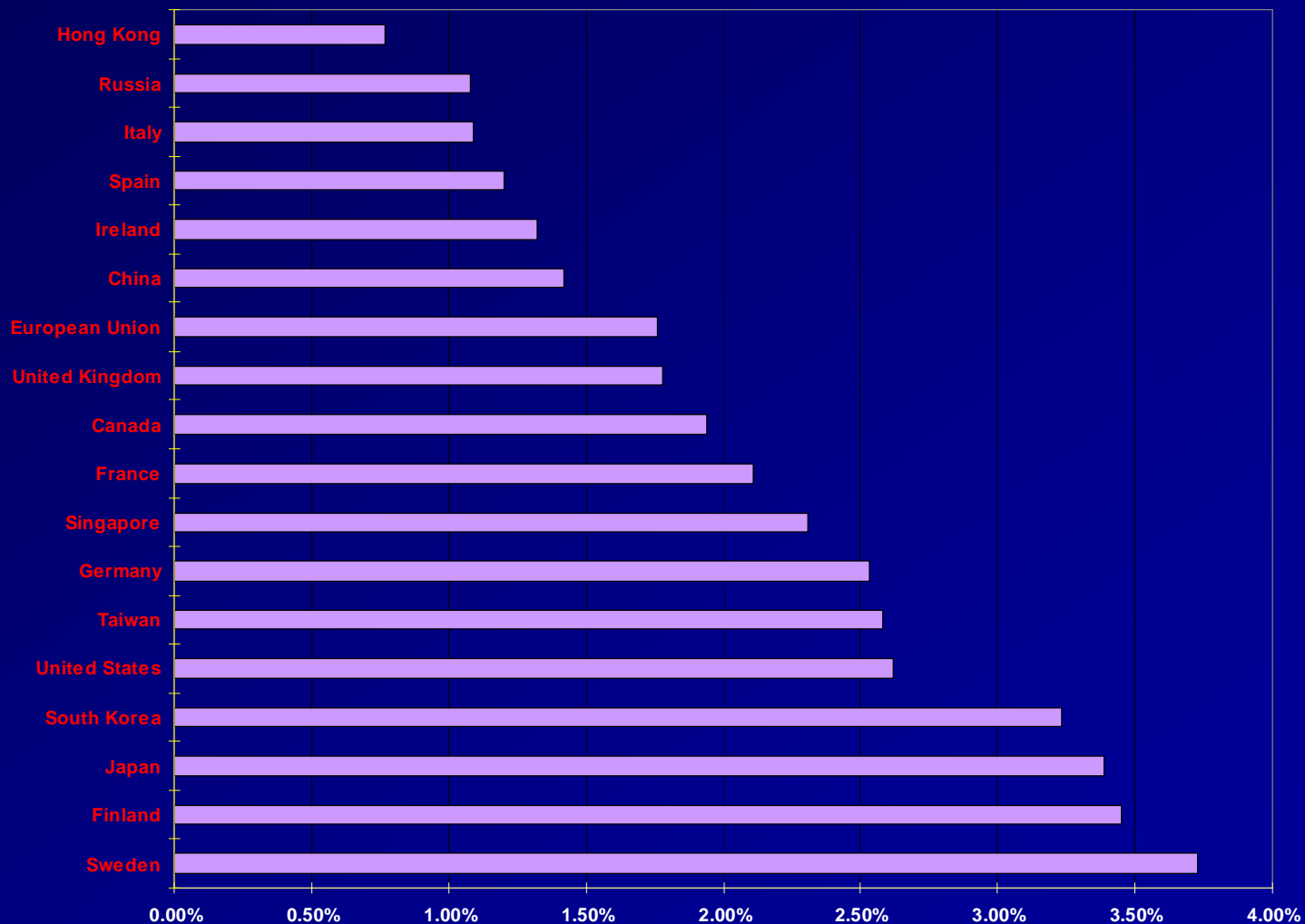


Overview of Technology Development in Hong Kong

Annual R&D expenditure by the business sector in 2007 was 3.8 times over that in 1998



R&D Spending as % of GDP 2006



SOURCE: OECD, Main Science and Technology Indicators, 2008

Opportunities

- Hong Kong-Shenzhen (PRD) Business Model
- Mainland's energy and environmental agenda
- World class research from Hong Kong's universities
- Support development of the six economic pillars

Hong Kong-Shenzhen Business Model

Example – DuPont Apollo Ltd

- R&D facilities in Hong Kong and manufacturing capabilities in Shenzhen, forming a full value chain:
 - w Hong Kong to contribute R&D talents
 - w The Shenzhen Municipal Government to provide land and other facilities to support the downstream development and manufacturing of solar energy products
- Generate clustering effect -- DuPont is in discussion with the Nano and Advanced Materials Institution in HK for further co-operation



Hong Kong-Shenzhen Business Model

Other Examples – ICT Cluster

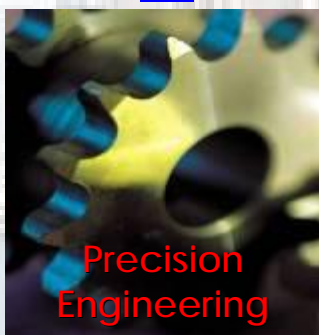


Hong Kong-Shenzhen Business Model

Other Examples – Electronics Cluster



New economic pillars recommended by the HKSAR Government



HKSTP's five focused clusters

The End

Thank you

