Milestones

2001
Establishment of Hong Kong Science and Technology Parks Corporation

2002
Opening of Hong Kong Science Park

2003
Opening of Innovation Centre (now named IC Development Centre) and Photonics Centre

2004
Official completion of Science Park Phase 1 and opening of Bio-Informatics Centre

2005
Opening of Photonics Development Support Centre

2006
Opening of InnoCentre in Kowloon Tong

2007
Opening of Science Park Phase 2

2008
Launch of 1st Science Park Applied Research Commercialisation (SPARC) Forum

2009
Opening of Solar Energy Technology Support Centre and Biotech Centre

2010
Naming of the Auditorium in honour of Charles K. Kao

2011
HKSTPC 10th Anniversary
Corporate Profile

Hong Kong Science and Technology Parks Corporation (HKSTPC) is a statutory body dedicated to fostering innovation and technology advancement in Hong Kong, through the provision of state-of-the-art facilities and services. Since its establishment in 2001, HKSTPC has also been entrusted with strengthening Hong Kong’s position as a regional technology hub by promoting development of five technology clusters, specifically, Electronics, Information Technology and Telecommunications, Precision Engineering, Biotechnology and Green Technology.

HKSTPC manages Hong Kong Science Park, InnoCentre and three Industrial Estates, located in Tai Po, Yuen Long and Tseung Kwan O. Hong Kong Science Park, the core property of HKSTPC, provides purpose-built R&D office spaces, advanced laboratories and technical support services to technology companies with the aim of bolstering the Territory’s stature as among the best R&D centres in the region. Through InnoCentre, design talents can utilise its facilities and services to hone their skills, spurring development of the design and creative industries in the process. And with regard to the Industrial Estates, each provides essential infrastructure and a wide array of services for skill-intensive industries to compete in today’s knowledge economy.

HKSTPC further offers full-service incubation programmes to assist technology and design start-ups during the vulnerable inception period. Major partnerships have been established with research institutions, universities and leading technology companies from around the world, facilitating technology and knowledge transfers.

Through its many efforts, HKSTPC has successfully generated fresh business opportunities across a spectrum of industries and enabled the commercialisation of applied research by forming a crucial bridge linking academia and industry. As of March 2011, HKSTPC has attracted 346 technology companies, both local and international, which when combined employ a workforce of over 8,000.

<table>
<thead>
<tr>
<th>Properties</th>
<th>Location</th>
<th>Year of Commencement</th>
<th>Area</th>
<th>Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Science Park (Phase 1)</td>
<td>Sha Tin, New Territories</td>
<td>2002</td>
<td>120,000m² (Gross floor area)</td>
<td>98%</td>
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<tr>
<td>Hong Kong Science Park (Phase 2)</td>
<td>Sha Tin, New Territories</td>
<td>2007</td>
<td>105,000m² (Gross floor area)</td>
<td>77%</td>
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<tr>
<td>InnoCentre</td>
<td>Kowloon Tong, Kowloon</td>
<td>2006</td>
<td>14,233m² (Gross floor area)</td>
<td>94.5%</td>
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<tr>
<td>Tai Po Industrial Estate</td>
<td>Tai Po, New Territories</td>
<td>1978</td>
<td>75.44 ha (Industrial land for leasing)</td>
<td>100 %</td>
</tr>
<tr>
<td>Yuen Long Industrial Estate</td>
<td>Yuen Long, New Territories</td>
<td>1980</td>
<td>66.53 ha (Industrial land for leasing)</td>
<td>99 %</td>
</tr>
<tr>
<td>Tseung Kwan O Industrial Estate</td>
<td>Tseung Kwan O, Kowloon</td>
<td>1994</td>
<td>74.85 ha (Industrial land for leasing)</td>
<td>98 %</td>
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Chairman’s Statement

In working with our partners in the Mainland, we are supporting Hong Kong’s innovation and technology sector. This interaction is the very essence that sets us apart from our regional competitors. One country two systems in our context encompasses synergising core strengths of Hong Kong and the Pearl River Delta, with focus on research and development, marketing and finance in the former while leveraging the complementary R&D, strong production base and infrastructure within the latter.

Nicholas Brooke, BBS, JP, PPRICS
Chairman
Dear Stakeholders,

The spectacular rise of Mainland China has clearly been responsible for enabling Asian companies to enjoy a steady recovery from the global financial crisis. With the United States and parts of Europe continuing to experience economic challenges, China is now being called on to take a more active role, not only to help bring stability but also to spur global economic growth. Hong Kong is thus in the right place at the right time to benefit from China’s rising prominence. We at the Corporation are well aware that our task has never been greater, nor the stakes higher, and have continued to bolster both technology infrastructure and services during the year so that our partner companies and the Hong Kong innovation and technology sector as a whole can capitalise on the opportunities that are being created.

Prior to the global downturn, China had already become an increasingly important destination for multinationals seeking high-growth markets, and with lingering economic concerns elsewhere, has become a destination of choice. However, the tide is moving both ways as Mainland companies are at the same time harbouring their own outward ambitions. In recognition of this trend, we have been refining our package of services which, hitherto, was primarily focused on inward flows. While this paradigm shift does not equate to a drastic rethink, it does underscore the need to remain attentive to markets and global trends and to respond promptly with appropriate measures.

In working with our partners in the Mainland, we are supporting Hong Kong’s innovation and technology sector. This interaction is the very essence that sets us apart from our regional competitors. One country two systems in our context encompasses synergising core strengths of Hong Kong and the Pearl River Delta, with focus on research and development, marketing and finance in the former while leveraging the complementary R&D, strong production base and infrastructure within the latter. Though we have been presenting this winning combination to international companies, and it has proven to be an attractive proposition for them, its applicability to Mainland companies is no less relevant.
Ensuring companies, irrespective of origin, can fully benefit from their partnership with the Corporation, we have continued to achieve progress on several fronts. As outlined last year, five strategic goals were established to help shape the Corporation so that it can confidently address future obligations. To reiterate, they include building a robust business model; implementing an integrated set of world-class facilities; delivering customer-focused services; capitalising on Hong Kong’s unique characteristics; and operating a management system that enables partner companies to move smoothly through the development cycle. All of these goals have received the attention of our Board members who have taken ownership of their respective goal and, in turn, headed dedicated teams that have scrutinised, devised and driven initiatives for tackling their specific challenge.

Indicative of the success that has thus far been achieved, I am pleased to report that 69 new companies have joined the Park during the year. Now home to over 340 technology companies, Science Park’s occupancy rate presently stands close to 90%. Moreover, the rise in number of biotech companies has meant that Biotech SME Centres 1 and 2 are now fully occupied, and Biotechnology has become the third largest among the five technology clusters. With the other four technology clusters, namely Electronics, Information Technology and Telecommunications and Precision Engineering, and Green Technologies reaching critical mass and the Corporation and partner companies earning serious recognition both locally and abroad, we clearly are moving in the right direction.

Some 126 start-ups are now enrolled in the Park’s Incubation Programmes. To aid these start-ups acquire funding from angel investors, our Hong Kong Business Angel Network has recruited 90 angels since its establishment in early 2010 and lined up a number of meetings to facilitate angel investment in the incubatees for their sustainable development.

As we look to further build on our successes, I am encouraged by the continuing commitment demonstrated by the Hong Kong SAR Government. Aside from approving funding for the construction of Science Park Phase 3, the Government has been active in its support, enabling the Corporation to gain important leverage when negotiating with prospective partner companies. The presence of the Financial Secretary, Mr. John Tsang, as Chairman of the new Steering Committee on Innovation and Technology also underscores the Government’s sincerity, as well as the enhanced prominence that the sector now enjoys. Revisiting funding arrangements by the Government with an emphasis on encouraging start-ups to evolve into competitive industry players, is another positive development towards building a knowledge-based economy.

We will certainly do our utmost to serve as ambassador of Hong Kong’s innovation and technology drive. An important part of our arsenal will be Hong Kong Science Park Phase 3. Since receiving funding approval, we have embarked on devising comprehensive design solutions that are anchored by green technologies. We will turn Phase 3 into an exemplar of how green technologies can be incorporated into the design, management and operation of a building, and indeed, each building will be a showcase highlighting technologies including energy management, waste management and renewable energy. Serving as a living laboratory, Phase 3 will further allow partner companies to develop technologies that are subsequently tested in Hong Kong before entering the market.
While Phase 3 will play a crucial role in the future of the Corporation, we fully recognise that advanced infrastructure is but one part of our makeup. How we attract, preserve and strengthen ties with companies is equally important in substantiating the success of the Corporation as a whole. In addition to offering full-service incubation programmes, collaboration and partnership arrangements, and support services, our role as intermediary requires ongoing examination and commitment. The ability to furnish partner companies with potential contacts, opportunities, production locations and other relevant information will further enhance our appeal and competitiveness. This intermediary role is not without precedent as only recently we leveraged our relationship with the Government to assist a partner company commercialise its LED lighting solution within the Government’s portfolio. The patented technology, which was developed at the Park and adopted by a local manufacturer, is now being tested by the Transport Department and installed in certain Housing Authority estates. We must continue to deliver similar levels of assistance, whether locally, in China, or abroad if we are to truly distinguish ourselves in the region.

Service excellence will also be paramount in the wake of the Twelfth Five-Year Plan. With China’s growing environmental awareness and the Central People’s Government intent on reducing carbon intensity, greater consideration will be given to renewable energy. This green push will call for the identification of available technologies from around the world and provide us with the opportunity to act as integrator, aggregator and refiner of solutions that can then be applied within the local environment. Already, we have welcomed several mayors from China seeking to adopt green technologies on a city scale; hence the demand is clearly present, and rising, and will be a further means of demonstrating the competence of the Corporation and, indeed, Hong Kong in delivering sustainable and innovative long term solutions to the challenges of the environment and climate change.

While we have made clear progress in the past year, we understand that the task at hand, as facilitator of applied research and champion of innovation and technology development, is ceaseless. As we continue to fulfil our mission, we will do so with the same determination and commitment to succeed that is the hallmark of Hong Kong people. In the decade since our founding, we have transformed from an up-start to a serious contender, and as we embark on the next decade our ambitions will only grow. The next logical step will be to expand beyond Science Park, developing an ecosystem that fully embraces academia, institutions, partner companies and research institutes; all relevant parties working as a cohesive whole towards the singular goal of promoting innovation and technology development in Hong Kong. With the Government as ally, I trust that the realisation of this ambition is well within sight.

At this time, I wish to express my appreciation to the Corporation’s leadership and management teams for their tireless efforts during the past year. I would also like to extend praise to every member of the Board for their commitment to the vigorous long-term growth of the Corporation.

Nicholas Brooke, BBS, JP
Chairman
Chief Executive Officer’s Chat Room

Going forward, one of the greatest business opportunities for Hong Kong companies is green technology. Not only is there a huge potential for the technology in Mainland China, similar need and opportunities exist right here in Hong Kong.

E. Anthony Tan, MH
Chief Executive Officer
How would you describe the Corporation’s growth thus far? Are the various interests being satisfactorily met?

Entering our 10th anniversary can be likened to entering our formative years, the start of the most energetic and creative era of our life. We have now a relatively strong foundation in the form of Phases 1 and 2, which is home to almost 350 technology companies. We have achieved critical mass with several of our technology clusters, specifically, Electronics, Information Technology and Telecommunications and Biotechnology. And in terms of management, we are now operating in a more organised and focused manner. Taking into consideration that research and development of technologies invariably requires a fair period of time, the 10-year mark is indeed significant in that our partner companies’ efforts are beginning to bear fruit.

How has the Corporation sought to address the needs of SMEs? What is the role of multinationals in Science Park?

We have established SME centres that allow enterprises to more easily enter the Park. With furnished offices, expenditures associated with setting up office is minimised. We also offer essential infrastructure, such as common use laboratories, which they can access. There are support services as well, including full service incubation programmes, networking, business matching and recruitment drives, all helping SMEs as they progress through different stages of development. Consequently, since opening SME centres back in 2008, there are now over 100 enterprises present. Having said that, we are successfully recruiting large companies to help set the foundation for new technologies that we want to build. For example, we now have three solid-state lighting manufacturers present at the Park, and the presence of DuPont is a primary example of a multinational helping advance green technology development.

Obviously we want to help Hong Kong’s SMEs, but we also want to help build the SAR’s capabilities in specific technology clusters. To do so, we have to attract and will continue to attract multinationals, leveraging their expertise to nurture the growth of technologies that local companies can learn from and excel.
**Chief Executive Officer’s Chat Room**

**What is the purpose behind Green 18?**
**Will Phase 3 benefit from the opening of Green 18?**

Going forward, one of the greatest business opportunities for Hong Kong companies is green technology. Not only is there a huge potential for the technology in Mainland China, similar need and opportunities exist right here in Hong Kong. Being such a compact city yet with a population of seven million, I think there are tremendous prospects for us to use Hong Kong as a platform for testing key technologies that can help save energy, reduce consumption of fossil fuels and cut carbon emissions. Green 18 will enable us to evaluate green technologies that we can use in Phase 3. In turn, Phase 3 will provide the catalyst for Hong Kong and southern China in terms of how we should progress towards creating an economy that is based on sustainable practices.

Technologies that are being evaluated and will potentially be transferred from Green 18 to Phase 3 will include the operable, vertical louver façade system, vertical green wall and green ethylene tetrafluoroethylene (ETFE) roof.

**How is Science Park Phase 3 progressing?**
**Any significant developments thus far?**

Phase 3 is progressing well though obviously we have had to face the challenge of inflation which raised the cost of construction. There are also a number of government projects underway so we are all competing for the same resources. We have a project team in place and have continued to develop creative solutions, as well as looked at methods of implementing the project in a manner that mitigates the impact of rising costs. We have formed a task force, which includes outside experts to help guide us in meeting our development and financial goals. Significant progress was made in landscape and building design. The Executive Project Manager and Lead Design Consultant of Phase 3 have been appointed and ground investigation works were substantially completed by March 2011.
How has the incubation programmes been progressing over the years, and more recently? Are there any new developments you can share?

The incubation programmes have continued to mature with over 230 companies graduating thus far. With some companies going on to earn regional awards and recognition, such success has been quite gratifying. What is exciting as well is seeing the quality of incubatees improving year after year. Perpetuating success will be an ongoing challenge and will require adapting to change quickly and confidently. For example, with cloud computing and a variety of web-related applications becoming increasingly popular, there may be the need to introduce variations of our incubation programmes to address such trends. We are actively evaluating various schemes to help programmers and apps developers, and will certainly adopt an open-minded approach.

With green technology being one of HKSTPC’s major focus areas, what are some technologies that the Corporation will seek to promote?

The green technology sector possesses enormous growth prospects, particularly due to China’s Twelfth Five-Year Plan, which underscored the government’s commitment to renewable energy development and environmental protection. As the largest energy consumer in the world, any technology that is able to clearly reduce the country’s energy appetite will be highly welcomed as well. With buildings consuming approximately 80% of all the energy used in Hong Kong, and energy management systems can feasibly reduce such consumption by 20%, these systems will be immensely important on both sides of the border. Consequently, the enormous potential of energy management and smart buildings has prompted our attention and action. Similarly, solid-state lighting, which utilises LED technology, is able to generate less heat, meaning that a building requires less energy to cool. A third area of attention is thin film photovoltaic. Able to be applied on the glass curtain wall of high-rise buildings, which are in abundance in most metropolitan centres, the film can convert sunlight into electrical energy. Yet a further area of focus is integrated environmental processes, which basically involves recycling and purification of water and air. All of the technologies that I have mentioned will be promoted by the Corporation as they present substantial opportunities for local companies and Hong Kong in general.
2010/2011 Highlights

“As another year concludes, I once more take pleasure in looking back at the accomplishments of HKSTPC. Yet again we have been able to build on our past achievements while at the same time launch new projects that have helped invigorate our ties with partner companies, associated industries and society. While events such as HKTREE and InnoAsia were held for the fifth and sixth consecutive years respectively, attracting industry veterans and the academia, our bond with the community was further strengthened through such fresh initiatives as Tech Universe and ‘Professor Charles K. Kao: Father of Fibre Optics’ Showcase, aimed at unlocking the imagination of Science Park visitors, particularly the young generation. Whether through existing or new endeavours, however, an underlying theme of environmental awareness continues to permeate into many of our efforts. The need for environmental protection and renewable energy is indeed pressing and indubitable, and relevant to all of us, which is why HKSTPC will be championing green development among Hong Kong industries and society in the coming years.”

Launch of IP Search Engine

On 8 June 2010, HKSTPC announced the establishment of an Intellectual Property (IP) search engine within its website, enabling users to retrieve the latest information on IP listings by top local universities, namely, The University of Hong Kong, The Chinese University of Hong Kong, Hong Kong University of Science and Technology, City University of Hong Kong, and The Hong Kong Polytechnic University. Nearly 1,500 IPs were already listed on the platform on the date of the launch and the listing will be updated quarterly. The powerful yet user-friendly search functions allow convenient access to IP information, encouraging the transfer of technology from academia to industry, and ultimately, turning the R&D efforts of academia into practical commercial applications.
Photo and Video Contest 2010

HKSTPC organised the Photo and Video Contest for the second consecutive year, offering the public an enjoyable means of exploring Hong Kong Science Park and to learn how this dynamic place enables technology, creativity and vigour to harmoniously merge. Under the theme “Capture Innovation, Inspire Creativity”, the contest encouraged participants to look at science, green environment and innovation from a fresh perspective, and by including a new video category, they were provided with the means to achieve this goal. All of the activities received strong support from the public, as reflected by over 400 entries, 130 photography workshop participants and more than 15,000 online votes for the “My Favourite Photo & Video Award”. Underscoring the success of the event, winning entries were subsequently exhibited in Science Park and InnoCentre.

MOU with Øresund Science Region
on Øresund-Hong Kong-InnoTech & ChinaBiz Summit

HKSTPC and Øresund Science Region (OSR) signed a Memorandum of Understanding (MOU) on 25 August 2010, agreeing to make the Øresund-Hong Kong-InnoTech & ChinaBiz Summit, which will take place in Hong Kong and the OSR alternatively, an important annual gathering. The Summit will enable companies and organisations from both regions to support innovation, technology development and business growth. Bolstering mutual relations through closer cooperation, the gathering will adopt the theme of innovation, technology and China business development, while main areas of common interest will range from nanotechnology and green technologies to biotechnology and the life sciences.
Launch of Tech Universe

HKSTPC’s commitment to educate the public about the importance and impact that science and technology has on society was underlined with the opening of Tech Universe on 26 October 2010. Tech Universe has been created to raise public enthusiasm — particularly among the young generation — for innovation and technology by providing a range of entertaining and educational interactive games and exhibits to take part in. Consisting of three zones, Tech Universe offers a series of interactive games and exhibits at Fun Nest and Inno Nest, while Time Tech introduces visitors to technology developments over the past 100 years. The state-of-the-art exhibition techniques and multi-media exhibits stimulate not only the basic senses of sight, hearing and touch, but also reaches more sophisticated cognitive processes such as spatial perception, emotion detection and neural control.

InnoAsia 2010

In its sixth consecutive year, InnoAsia 2010 (24 – 26 November 2010) again received support from The Hong Kong Polytechnic University as Strategic Partner and The Chinese University of Hong Kong as Partner and Co-organiser. Under the theme, “Innovate for a Sustainable World”, the annual event for the first time expanded from a two-day to three-day format, bringing more industry veterans together to share their insights on such topics as smart city, energy optimisation and digital living. Running concurrently with InnoAsia was the Science Park Applied Research Commercialisation (SPARC) Forum, which helped to connect innovators with venture capitalists — essential for the commercialisation of projects. Also part of the conference is the Hong Kong Venture Capitalist/Angel Conference, which provided start-ups with the latest investment trends and selection criteria.
Opening of “Professor Charles K. Kao: Father of Fibre Optics” Showcase

With the honourable Professor and Mrs. Kao present, a permanent showcase entitled “Professor Charles K. Kao: Father of Fibre Optics” was officially unveiled on 19 January 2011 — yet another tribute paid by HKSTPC to the Nobel Laureate. The exhibit has been created to stimulate public interest, as well as inspire the next generation of engineers, scientists and technology entrepreneurs to think beyond established parameters. Situated on Lakeside 2 of Hong Kong Science Park, the Showcase is divided into four zones and features the work of Professor Kao as well as a series of interactive games and demonstrations on ground-breaking fibre-optic applications. During the opening ceremony, which was themed “Relentless Spirit to Dream and Innovate”, two special guests, Mr. Lau Hiu Fung and Ms. Clara Lee On Ki, shared with the audience their personal triumphs and how they took inspiration from the innovative spirit of Professor Kao.

2011 Hong Kong Technology & Renewable Energy Events (HKTREE)

Co-organised by HKSTPC and CLP Power Hong Kong, HKTREE commenced for the fifth year on 19 March 2011. Stressing the importance of reducing carbon dioxide emissions, hence the theme “Towards a Low-Carbon Future”, the contest attracted more than 180 submissions from nearly 60 schools. New for this year was the introduction of competitions involving the design of Low Carbon Living fun booths and super capacity electric model cars. Together with other inspiring activities such as a solar model car competition and online workshops, HKTREE continued its mission of raising public awareness and involvement in renewable energy development.
2010/2011 Highlights

Recruitment Day

Devoted to the advancement of science and technology in Hong Kong, HKSTPC directed the attention of the young towards exciting and rewarding career prospects in the technology industries by organising Recruitment Day on 26 March 2011. The event also represented one of HKSTPC’s many efforts at helping partner companies source for talent. A total of 413 job openings were offered by 60 partner companies based in Hong Kong Science Park, InnoCentre and the Industrial Estates, while approximately 2,000 jobseekers and students participated in the event. In addition to walk-in interviews, career talks by representatives of partner companies were delivered to attendees.

Notable Visits

HKSTPC welcomed a number of distinguished visitors from abroad during the year, including Gary Locke, former United States Secretary of Commerce (May 2010); Zhang Lai-wu, Vice Minister of the Ministry of Science and Technology of PRC (Mar 2011). Still other notable guests included Heads of Economic and Trade Offices and Beijing Office (Jun 2010); Consul General of the Federal Republic of Germany (Aug 2010); Charlotte Sahl-Madsen, The Danish Minister for Science, Technology and Innovation, and The Consulate General of Denmark (Sep 2010); Vladimir V. Budko, Attache, Russian Consulate (Nov 2010); and Ji Jianye, Mayor of Nanjing Municipality, China (Feb 2011).
Board of Directors

Mr. Nicholas BROOKE BBS, JP, PPRICS, FHKIS (Chairman)

Mr. Nicholas Brooke is a Chartered Surveyor. He is the Chairman of Professional Property Services Limited, a specialist real estate consultancy group providing advisory services across the Asia Pacific Region and a former President of the Royal Institution of Chartered Surveyors (RICS), the largest grouping of property professionals worldwide. He is also a Trustee of the International Valuation Standards Council (IVSC) which is responsible for setting global valuation standards. He is also the Chairman of the Hong Kong Harbourfront Commission.

Mr. Brooke is a member of the General Committee of the Hong Kong General Chamber of Commerce and a member of the Steering Committee on Innovation and Technology and of the Steering Committee on the Promotion of Electric Vehicles in Hong Kong. He is also an active member of Vision 2047, a group of long term Hong Kong residents dedicated to supporting and promoting Hong Kong. He is an Honorary Professor at the University of Hong Kong and similarly at Chongqing University and he is also a Freeman of the City of London.

Mr. Brooke is the Chairman of VinaLand Limited, the first Vietnam property fund listed on the AIM Board of the London Stock Exchange and he also sits on the Board of Top Spring International Holdings Limited, one of the leading developers of urban communities in the Mainland China.

Dr. John CHAI Yat Chiu

Dr. John Chai is the Managing Director of Fook Tin Group Holdings Ltd. and a Member of the Supervisory Board of its wholly owned subsidiaries — Terraillon SAS (France), Scaime SAS (France) and Arpege Master K SAS (France).

He received the degrees of Master of Jurisprudence and Doctors of Law from Loyola University Chicago, Master of Science from Northwestern University, Bachelor of Dental Surgery (HKU). As a qualified medical health care professional, he has also been awarded fellowship to several professional organisations. Dr. Chai is presently a Professor Emeritus of Northwestern University.

Dr. Eliza CHAN Ching Har LLD (Hon), BBS, JP

Dr. Chan is the Senior Consultant of Boughton Peterson Yang Anderson. She is a solicitor admitted in Canada (British Columbia), England and Wales and Hong Kong and is an Attesting Officer appointed by the Ministry of Justice of the PRC. Dr. Chan is a Member of the National Chinese People’s Political Consultative Conference (CPPCC), a Standing Member of the CPPCC Tianjin Committee, the Executive Vice-President of the Hong Kong CPPCC (Provincial) Members Association, and Honorary President of The Hong Kong China Chamber of Commerce.

She currently holds and has held a number of Hong Kong Government appointments, notably as a member of the Board of Hospital Authority, member of the Board of Education, member of Hong Kong Examinations and Assessment Authority, member of Hong Kong Public Service Commission, Chairman of Kowloon Hospital, Chairman of Hong Kong Eye Hospital, Chairman of Pension Appeals Board, member of the Hong Kong Medical Council, member of Administration Appeals Board, Disciplinary Panel Member of the Hong Kong Institute of Certified Public Accountants and an adjudicator of the Hong Kong immigration Tribunal. She has also served as a Council Member of The Hong Kong University of Science and Technology. She was the Chairman of The University of Victoria Foundation (Hong Kong) Limited, the past Chairman and President of The Canadian Chamber of Commerce in Hong Kong, and Vice Chairman of the Tsinghua Legal Education Foundation.
Board of Directors

**Mrs. Alice CHIN Hang Yin (Retired on 30 June 2011)**

Mrs. Alice Chin is the former Managing Director and Senior Director of Policy & External Affairs of Merck Sharp & Dohme, covering Hong Kong and China. Merck Sharp & Dohme, also named Merck & Co., in the US, is a leading research-driven pharmaceutical company. Mrs. Chin is currently a partner of a healthcare consultancy.

Mrs. Chin has served as the President of the Hong Kong Association of the Pharmaceutical Industry for two terms. During her tenure, she championed the growth of the R&D industry, and has paved the way for future development of the biotechnology industry in Hong Kong. Mrs. Chin was also the Advisory Committee Member of the Investment Promotion Strategy Group of InvestHK, and is an active member of the Women’s Commission of Hong Kong.

**Mr. Humphrey CHOI Chor Ching**

Mr. Humphrey Choi is the partner of PricewaterhouseCoopers and has been with PricewaterhouseCoopers for over 20 years.

Mr. Choi has many years of audit experience, and works with a wide range of international and local clients, many of which are within the technology and telecommunication industry sectors. He also has considerable experience in helping companies list on the HKSE (Main Board and GEM) and overseas stock exchanges.

**Mr. Tony CHOI Siu Chow**

Mr. Tony Choi is an Executive Director of Hong Kong Garment Manufacturing Co. Ltd., Co-Chairman of Chung Nam Electronics Co. Ltd., and a director of other private companies in various industries. He is a Council Member of Lingnan University, Supervisor of Yan Chai Hospital Choi Hin To Primary School, a director of Hong Kong Chiu Chow Chamber of Commerce, and the Chairman of the USC Alumni Association (H.K.).

Mr. Choi served on various official committees, including the Standing Committee on Language Education and Research, Solicitors Disciplinary Tribunal Panel, and Steering Committee on Task Force on Language Support. He graduated from University of Southern California with a B. Sc. degree in Business Administration, and obtained his MBA degree from UCLA.
Mr. David Fong Man Hung BBS, JP (Appointed on 1 July 2010)

Mr. David Fong is the Managing Director of Hip Shing Hong Group, Vice Chairman of Fong’s Family Foundation. Mr. Fong obtained a Bachelor degree in Economics from the University of Simon Fraser in Canada and a Master degree in Business Administration by the University of Hong Kong. Mr. Fong is currently a Member of the 11th Guangdong Provincial Committee of Chinese People’s Political Consultative Conference, a Member of Standing Committee of All-China Federation of Industry and Commerce, a Member of Standing Committee of China Overseas Friendship Association, an Honorary Trustee of Peking University.

Mr. Fong is also the Vice Chairman of Hong Kong Chinese General Chamber of Commerce, Chairman of Hong Kong Strategy, a Member of Advisory Committee on Revitalisation of Historic Buildings, a Director of Hong Kong Real Estates Developers Association, a Director of Friends of Hong Kong Association and a Member of Better Hong Kong Foundation, a Council Member of City University of Hong Kong and a Member of Social Welfare Advisory Committee.

Professor Nancy Ip Yuk Yu BS, PhD, MH (Retired on 30 June 2011)

Professor Nancy Ip is the Dean of Science, Chair Professor of the Division of Life Science, and Director of the State Key Laboratory of Molecular Neuroscience at the Hong Kong University of Science and Technology. She is a world-renowned neuroscientist with primary research interest in brain development and drug discovery for neurodegenerative diseases.

Professor Ip is an Academician of the Chinese Academy of Sciences, a Fellow of the Academy of Sciences for the Developing World and has received numerous awards including the National Natural Science Award, the L’OREAL-UNESCO for Women in Science Award and the Leader of the Year (Research) Award. She has also served as a member of the Board of Directors of the Hong Kong Applied Science and Technology Research Institute, the Research Grants Council, the Medical Sub-Committee of the University Grants Committee, and the Innovation and Technology Fund Vetting Committee.

Mr. Lee Shing See GBS, OBE, JP (Retired on 1 December 2010)

Mr. Lee Shing See is a Fellow of both The Hong Kong Institution of Engineers and the Institution of Civil Engineers (UK). Mr. Lee joined the Hong Kong Government since he graduated from the University of Hong Kong in 1964. He was appointed the Secretary for Works in August 1999 till August 2002 (including two months as a Permanent Secretary).

He is a Justice of the Peace. He was awarded the OBE in 1997, and the GBS in 2002.
Board of Directors

Miss Nisa LEUNG Wing Yu (Appointed on 1 July 2011)
Miss Nisa Leung is a Partner of Qiming Ventures leading its health care investments. Qiming is one of the most active funds in China and have won numerous awards including most recently The Best Venture Firm in China at Top Capital Summit in 2010 and Best Health Care Investment Firm in China in 2011. Prior to joining Qiming, she was co-founder of Biomedic Holdings with operations and investments in medical devices, pharmaceuticals and health care services in China including Novamed Pharmaceuticals Inc (acquired by SciClone NASDAQ: SCLN), a specialty pharmaceutical company focused on oncology and central nervous system. Nisa was Venture Partner of PacRim Ventures in Menlo Park, and was previously with Softbank/Mobius Venture Capital.

Nisa currently sits on the board of Gan & Lee Pharmaceutical Co. Ltd, Crown Bioscience, Novast Pharmaceuticals, Sangon Biotech, Aeonmed Medical (observer), Promed Cancer Centers (Shanghai), Biomedic Holdings and related companies. Nisa also represented Qiming on other health care investments including Alltech Medical, CITIC Pharmaceuticals (acquired by Shanghai Pharmaceutical HKSE: 02607) and Guokang.

Nisa earned her MBA from Stanford Graduate School of Business and a BS from Cornell University.

Mr. LIU Sing Cheong JP
Mr. Liu is the Chairman of My Top Home (China) Holdings Ltd. and Evergreen Real Estate Consultants Ltd., which provide a host of integrated real estate related services in the mainland. He is a member of the Council of Hong Kong University of Science and Technology (HKUST), a member of the Development Committee under the West Kowloon Cultural District Authority, a member of the Hong Kong Security and Guarding Services Industry Authority and a Part-time Member of the Central Policy Unit of the Government of the HKSAR. He is also an Independent Non-Executive Director of Swire Properties Limited and Prada S.p.A..

Mr. Liu is an Honorary Professor at the University of Hong Kong, an Honorary Fellow of the HKUST, a University Fellow, an Adjunct Professor, a recipient of the Outstanding Alumni Award 2003 and a Member of the Court of the Hong Kong Polytechnic University. He was the founding Chairman of the Asia Pacific Board of the Royal Institution of Chartered Surveyors.

Mr. MAK Chai Kwong GBS, JP  FICE, FHKIE, FCILT, FHKIHT, FHKAES (Appointed on 1 January 2011)
Mr. Mak had a career closely associated with Hong Kong’s infrastructure development. He joined the Hong Kong Government in 1973 after graduated from the University of Hong Kong. In 2002 he was appointed as the Director of Highways, and in 2006 as the Permanent Secretary in charge of the Public Works Programme and policies on works and heritage conservation in Hong Kong.

He retired from the service in 2010, and has continued to work as a part-time consultant. He currently serves as the Team Leader on Sichuan Reconstruction in the Development Bureau overseeing the delivery of the Hong Kong sponsored reconstruction projects in Sichuan.

He was appointed Senior Member of the China Railway Society in 2006, Honorary Professor in the Department of Civil Engineering of the University of Hong Kong in 2007, and was awarded the Gold Bauhinia Star in 2010.
Mrs. MAK TANG Pik Yee Agnes MH, JP (Retired on 12 November 2010)

Mrs. Mak has over 20 solid years of experience in information technology, with a proven track record of using IT as a tool for business growth and performance improvement, operations, and cost control in alignment with business objectives, policies and priorities. Before assuming the post of Executive Director of Hong Kong Productivity Council in November 2010, Mrs. Mak has extensive working experience in both the private and public sectors including key posts in various communication companies and statutory bodies.

Along with her full-time career, Mrs. Mak has been very active within the community. She was the President of Hong Kong Computer Society (1995-1998), Chairman of the Advisory Committee of Science Faculty of Hong Kong Baptist University, Chairman of the Information & Communications Technology/Industry Bureau, Chairman of Committee in Information Technology Training and Development of Vocational Training Council and Member of the Social Welfare Advisory Committee of HKSAR.

Mr. Joseph PANG Yuk Wing JP

Mr. Joseph Y.W. Pang is currently a Senior Advisor of The Bank of East Asia, Ltd.

Mr. Pang holds an Honours Degree in Social Science and a master's degree in Business Administration from The Chinese University of Hong Kong.

He became an associate of the Chartered Institute of Bankers in 1975 and a fellow of the Hong Kong Institute of Bankers in 1995, respectively. He is now a Vice President of the Hong Kong Institute of Bankers.

He was conferred an Honorary Degree of Doctor of Social Sciences by Lingnan University in 2002, and an Honorary Fellowship by The Chinese University of Hong Kong in 2004, respectively.

Mr. Pang was appointed as a Justice of the Peace by the HKSAR Government in 2000.

Professor Paul TAM Kwong Hang (Appointed on 1 July 2011)

Professor Paul Tam is the Pro-Vice-Chancellor for Research in The University of Hong Kong (HKU). He has also been the Dean of Graduate School since 2009. Professor Tam graduated from HKU in 1976, and worked in the Department of Surgery until 1986. He was Senior Lecturer at the University of Liverpool in 1986-90, and Reader and Director of Paediatric Surgery at the University of Oxford in 1990-96. He has been Chair of Paediatric Surgery at HKU since 1996.

Professor Tam is a well-known surgeon-scientist. His research group has published extensively in genomics, stem cell, immunology and Chinese medicine, and holds several patents. He has served on various local and international associations of the medical profession, as well as the editorial boards of several international journals.

He has received numerous awards including the British Association of Pediatric Surgery Prize, and most recently the “International Outstanding Leadership Awards in Endoscopy” from National Office for Science and Technology, PRC in 2010.
Mr. Tom TANG Chung Yen JP

Mr. Tom Tang is the Managing Director, Asia Pacific Region, of TTM Technologies Enterprises (HK) Limited (TTMEHK). TTMEHK is one of the leading Printed Circuit Board (PCB) manufactures that provide one stop shop service offer PCB layout design QTA to mass production and produce IC substrate for the semiconductor market and embarked on technology alliance with strategic partners to gain faster access to advanced technologies in Hong Kong and China by turnover focusing on high-end PCB products. Majority of the products and exported to PRC, Singapore, Malaysia, Japan, Korea, North America and Europe.

Mr. Tang has served as the honorary founding chairman of Hong Kong Printed Circuit Association Limited since 2005. He is the chairman of The Hong Kong Exporters’ Association, the chairman of The Hong Kong Standards and Testing Centre and Hong Kong Safety Institute, a council member of Hong Kong Trade Development Council and a vice chairman of HK WuXi Trade Association Limited. Since 2008 he has been a member of Shanghai Committee of Chinese People's Political & a member of The Government of Wuxi Municipal People's.

Miss Elizabeth TSE Man Yee JP (Appointed on 26 April 2010)

Miss Tse joined the Administrative Service of the Hong Kong Government in August 1984. She has served in various bureaux and departments, including the former Security Branch, the former City and New Territories Administration, the former Economic Services Branch, the former Finance Branch, the former New Airport Projects Co-ordination Office and the former Trade and Industry Branch. She was Deputy Secretary for the Treasury (later renamed Deputy Secretary for Financial Services and the Treasury (Treasury)) from July 1999 to April 2006, Director of Administration from April 2006 to October 2007, and Permanent Secretary, Chief Executive’s Office from October 2007 to April 2010.

Miss Tse assumed the post of Permanent Secretary for Commerce and Economic Development (Communications and Technology) on 26 April 2010. Her policy responsibilities include telecommunications, information technology, broadcasting, film and creative industry, and innovation technology.

Mr. WONG Ming Yam JP

Mr. Wong Ming Yam is currently the CEO of Rhythm Green Limited. Prior to this position, he was the CEO of Elec & Eltek Display Technology Limited and Senior Vice President of Royal Philips Electronics where he has gained over 30 years of Global Industrial Operations experience. His responsibilities include not only the Industrial Management of Philips Audio Video Entertainments but also the supply base and technology development.

Mr. Wong has served as a member of several Government Boards and Committees for more than 20 years. He was a member of Innovation and Technology Fund Vetting Committee, Director of Hong Kong Standards and Testing Centre, Council member & Deputy Chairman of Hong Kong Productivity Council and Director of the Hong Kong Industrial Estates Corporation. At present, he is Chairman of Hong Kong Electronics & Technologies Association and a member of Advisory Committee of Innovation and Technology of HKTDC.
Ms. Winnie YEUNG Cheung Wah (Appointed on 1 July 2011)

As the director of Legal and Corporate Affairs of Microsoft Hong Kong Limited, Ms. Winnie Yeung advises the company on a range of legal and public policy issues. She is also responsible for the strategy development and delivery of the Company’s citizenship initiative.

Ms. Yeung graduated from the Faculty of Law at the University of Hong Kong. She is admitted as a solicitor in Hong Kong and England and Wales. She also received an MBA from the University of Toronto.

Ms. Yeung is a member of the Unsolicited Electronic Messages (Enforcement Notices) Appeal Board and the Task Force on Digital Inclusion, Digital 21 Strategy Advisory Committee. She serves as the Chair for Business Software Alliance Hong Kong & Macao Committee and the DIT Committee of Hong Kong General Chamber of Commerce. She is also the Vice President of Hong Kong Federation of Women Lawyers and Hong Kong Information Technology Federation.

Professor Kenneth YOUNG

Professor Kenneth Young is a theoretical physicist, and Professor of Physics at The Chinese University of Hong Kong. He obtained the BS in Physics from the California Institute of Technology in 1969 and the PhD in Physics and Mathematics in 1972. He joined The Chinese University of Hong Kong in 1973, and has been Chairman, Department of Physics and later Dean, Faculty of Science and Dean of the Graduate School. From 1994 to 2011, he was Pro-Vice-Chancellor. From 2011, he is Master of CW Chu College.

He is a Fellow of the American Physical Society and a Member of the International Eurasian Academy of Sciences. He was also a member of the University Grants Committee, and chairman of its Research Grants Council. He served as the Secretary and then Vice-President of the Association of Asia Pacific Physical Societies. His research interests include elementary particles, field theory, high energy phenomenology, dissipative systems and especially their eigenfunction representation and application to optics, gravitational waves and other open systems.

Professor Albert YU Cheung Hoi (Appointed on 1 July 2011)

Professor Albert C.H. YU is a well-respected scientist and entrepreneur. He devoted over 20 years in neuroscience and infectious disease research and contributed significantly in the development of molecular neurobiology and molecular diagnosis. He is the Chairman and CEO of Hai Kang Life Corporation Limited (HKLife), specialised in the R&D and commercialisation of clinical and veterinary molecular diagnostics, as well as cutting-edge food testing technologies. Professor Yu’s innovations have been granted patents worldwide, and accredited and awarded locally and internationally.

Professor Yu serves on boards of many distinguished professional organisations and is active in many cross-cultural and industrial communities for the advancement of scientific and cultural knowledge. Together with other Biotech experts, Professor Yu has founded the Hong Kong Biotechnology Organisation (HKBio), which aims to exponentially accelerate Hong Kong’s Biotech growth. He has published five books and over 200 peer-reviewed scientific articles and conference papers, and had organised and chaired over 20 international conferences.
# Committee Members

*(With effect from 1 August 2010 - 23 August 2011)*

<table>
<thead>
<tr>
<th>Committee</th>
<th>Members</th>
</tr>
</thead>
</table>
| **Business Development and Admission Committee** | Mr. Nicholas Brooke, BBS, JP (Chairman)  
Professor Kenneth Young (Vice-Chairman)  
Dr. John Chai Yat Chiu  
Dr. Eliza Chan Ching Har, BBS, JP  
Mrs. Alice Chin Hang Yin  
*(Retired on 30 June 2011)*  
Mr. Tony Choi Siu Chow  
Mr. David Fong Man Hung, BBS, JP  
Professor Nancy Ip Yuk Yu, MH  
*(Retired on 30 June 2011)*  
Mr. Liu Sing Cheong, JP  
Mr. Wong Ming Yam, JP  
Miss Elizabeth Tse Man Yee, JP |
| **Projects and Facilities Committee** | Mr. Tom Tang Chung Yen, JP (Chairman)  
Mr. Wong Ming Yam, JP (Vice-Chairman)  
Mr. Tony Choi Siu Chow  
Professor Nancy Ip Yuk Yu, MH  
*(Retired on 30 June 2011)*  
Miss Elizabeth Tse Man Yee, JP |
| **Finance and Administration Committee** | Mr. Humphrey Choi (Chairman)  
Mr. Joseph Pang Yuk Wing, JP (Vice-Chairman)  
Mr. Lee Shing See, GBS, OBE, JP  
*(Retired on 1 December 2010)*  
Mr. Mak Chai Kwong, GBS, JP  
*(Appointed on 14 January 2011)*  
Mrs. Agnes Mak Tang Pik Yee, MH, JP  
*(Retired on 12 November 2010)*  
Professor Kenneth Young  
Miss Elizabeth Tse Man Yee, JP |
| **Audit Committee** | Mr. Wong Ming Yam, JP (Chairman)  
Mr. Humphrey Choi (Vice-Chairman)  
Mrs. Agnes Mak Tang Pik Yee, MH, JP  
*(Retired on 12 November 2010)*  
Mr. Joseph Pang Yuk Wing, JP  
Miss Elizabeth Tse Man Yee, JP |
| **Senior Staff Administration Committee** | Mr. Nicholas Brooke, BBS, JP (Chairman)  
Mr. Humphrey Choi  
Mr. Tom Tang Chung Yen, JP  
Mr. Wong Ming Yam, JP  
Miss Elizabeth Tse Man Yee, JP |
Business Development and Admission Committee
Mr. Nicholas Brooke, BBS, JP (Chairman)
Professor Kenneth Young (Vice-Chairman)
Dr. John Chai Yat Chiu
Dr. Eliza Chan Ching Har, BBS, JP
Mr. Tony Choi Siu Chow
Mr. David Fong Man Hung, BBS, JP
Miss Nisa Leung Wing Yu
Mr. Liu Sing Cheong, JP
Mr. Tom Tang Chung Yen, JP
Mr. Wong Ming Yam, JP
Professor Albert Yu Cheung Hoi
Miss Elizabeth Tse Man Yee, JP

Projects and Facilities Committee
Mr. Tom Tang Chung Yen, JP (Chairman)
Mr. Wong Ming Yam, JP (Vice-Chairman)
Mr. Tony Choi Siu Chow
Professor Paul Tam Kwong Hang
Professor Albert Yu Cheung Hoi
Miss Elizabeth Tse Man Yee, JP

Finance and Administration Committee
Mr. Humphrey Choi (Chairman)
Mr. Joseph Pang Yuk Wing, JP (Vice-Chairman)
Mr. Mak Chai Kwong, GBS, JP
Ms. Winnie Yeung Cheung Wah
Professor Kenneth Young
Miss Elizabeth Tse Man Yee, JP

Audit Committee
Mr. Wong Ming Yam, JP (Chairman)
Mr. Humphrey Choi (Vice-Chairman)
Mr. Joseph Pang Yuk Wing, JP
Miss Elizabeth Tse Man Yee, JP

Senior Staff Administration Committee
Mr. Nicholas Brooke, BBS, JP (Chairman)
Mr. Humphrey Choi
Mr. Tom Tang Chung Yen, JP
Mr. Wong Ming Yam, JP
Miss Elizabeth Tse Man Yee, JP

(With effect from 24 August 2011)
Corporation Information

Address

**Head Office**

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Hong Kong Science Park  
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Hong Kong  
Telephone: (852) 2629 1818  
Facsimile: (852) 2629 1833  
Website: www.hkstp.org

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Unit 230, InnoCentre  
72 Tat Chee Avenue  
Kowloon Tong  
Hong Kong  
Telephone: (852) 2784 2666  
Facsimile: (852) 2778 4183  
Website: www.innocentre.com.hk

**Industrial Estate Office**

**Tai Po Industrial Estate**  
Tel/Fax: (852) 2665 6755

**Yuen Long Industrial Estate**  
Tel/Fax: (852) 2479 0224

**Tseung Kwan O Industrial Estate**  
Tel/Fax: (852) 2623 9619

**Auditors**

Ernst & Young

**Principal Bankers**

Bank of China (Hong Kong) Limited  
China Construction Bank Corporation, Hong Kong Branch  
DBS Bank (Hong Kong) Limited  
Industrial and Commercial Bank of China (Asia) Limited  
Standard Chartered Bank (Hong Kong) Limited  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Wing Lung Bank Limited

**Solicitors**

Baker & McKenzie  
Johnson Stokes and Master
Hong Kong Science Park

HKSTPC has continued to leverage Hong Kong Science Park’s dynamic combination of world-class infrastructure and comprehensive services to foster development of key technology clusters. Consistent with supporting the growth of these clusters, Science Park has in turn sought to strengthen existing ties with partner companies while concurrently exploring new relationships, resulting in an increase of 57 new partner companies to the Park — Phases 1 and 2 inclusive. Of these new occupants, 18 have come from the green technology and biotechnology fields. The rise in the number of biotech companies has meant that the utilisation of Biotech SME Centres 1 and 2 are maximised, and biotechnology has become the third largest among the five clusters promoted by the Park. Complementing this growth will be Biotech SME Centre 3, which will offer up to 18 additional units upon its completion before the end of 2011.

Ensuring the development of Hong Kong Science Park is Phase 3, which received funding approval from the Finance Committee of the Legislative Council in April 2010. As of March 2011, ground investigation work and erection of hoarding and covered walkway have been largely completed. Moreover, a sustainability master planning roadmap was drawn up in late 2010.

In addition to bolstering Science Park’s infrastructure, HKSTPC has ensured that partner companies are afforded with services essential for developing within their respective industry. Along with outreach programmes and business matching services, industry forums, marketing and networking events were organised during the year. Such initiatives were taken with the objective of promoting business and commercialisation opportunities, as well as encouraging technology development within academia and different industry circles.

Not neglecting to nurture relations with the local community, headway has been made in this respect also. The opening of Tech Universe in October 2010 has raised public enthusiasm, particularly among the young, towards innovation and technology. Yet a further means of stimulating public interest has been the opening of “Professor Charles K. Kao: The Father of Fibre Optics” Showcase in January 2011 which inspired the next generation of engineers and scientists, through exhibits as well as a series of interactive games.

Key Statistics

<table>
<thead>
<tr>
<th>Items / Year</th>
<th>As at end March 2011</th>
<th>As at end March 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall occupancy</td>
<td>89.3%</td>
<td>84.6%</td>
</tr>
<tr>
<td>Phase 1 and Phase 2 occupancy</td>
<td>Phase 1</td>
<td>Phase 2</td>
</tr>
<tr>
<td>Phase 1</td>
<td>97.9%</td>
<td>77.3%</td>
</tr>
<tr>
<td>Phase 2</td>
<td>89%</td>
<td>79%</td>
</tr>
<tr>
<td>Number of partner companies</td>
<td>189</td>
<td>69</td>
</tr>
</tbody>
</table>

[1] The occupancy rate represents the area currently leased over the total available area for leasing.
Industrial Estates

The Industrial Estates in Tai Po, Yuen Long and Tseung Kwan O offer fully developed and serviced properties for lease at competitive rates to companies engaged in skill-intensive manufacturing and service industries, ensuring they have the infrastructure and facilities to prosper. The three estates are almost fully occupied during the year.

HKSTPC maintained constant contact with existing companies at the Industrial Estates, monitoring their development, progress and seeking more efficient use of the sites. Over the year, new businesses involved in recycling and waste processing, pharmaceutical products and data processing, among other activities have taken up eight vacant sites and four existing factories.

In 2010, HKSTPC completed a study on “The Repositioning and Revitalisation of Industrial Estates”, to ensure the competitiveness and sustainability of the Industrial Estates. Evaluation of the strategy components recommended by the consultants in terms of priorities, timing and resource requirements, etc. has been ongoing and implementation of selected recommendations has commenced. The Corporation will work closely with the government in exploring the possibility of establishing a new industrial estate to support specialised and high-value added industries, as well as encourage diversified industries to operate on the Industrial Estates so as to broaden the industrial and technology base of Hong Kong.

Summary

<table>
<thead>
<tr>
<th></th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tai Po</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Yuen Long</td>
<td>98%</td>
<td>99%</td>
</tr>
<tr>
<td>Tseung Kwan O</td>
<td>72%</td>
<td>98%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Remaining vacant land</th>
<th>Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tai Po</td>
<td>0 ha</td>
<td>100%</td>
</tr>
<tr>
<td>Yuen Long</td>
<td>1.4 ha</td>
<td>98%</td>
</tr>
<tr>
<td>Tseung Kwan O</td>
<td>19.49 ha</td>
<td>72%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Remaining vacant land</th>
<th>Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tai Po</td>
<td>0.5 ha</td>
<td>100%</td>
</tr>
<tr>
<td>Yuen Long</td>
<td>0.5 ha</td>
<td>99%</td>
</tr>
<tr>
<td>Tseung Kwan O</td>
<td>1.49 ha</td>
<td>98%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Number of factories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tai Po</td>
<td>82</td>
</tr>
<tr>
<td>Yuen Long</td>
<td>48</td>
</tr>
<tr>
<td>Tseung Kwan O</td>
<td>27</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Number of factories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tai Po</td>
<td>82</td>
</tr>
<tr>
<td>Yuen Long</td>
<td>53</td>
</tr>
<tr>
<td>Tseung Kwan O</td>
<td>34</td>
</tr>
</tbody>
</table>
InnoCentre

Housing both established design companies and incubatees, InnoCentre has continued its mission of cultivating designers and promoting creativity. By also serving as a one-stop shop that brings together designers and users of design services, InnoCentre creates a positive long-term impact on design in relation to environmental preservation and sustainability through initiating and supporting green events.

Reaching almost full occupancy, InnoCentre has welcomed 11 new companies during the year. Upon completing the second stage of the Small Tenant Offices, InnoCentre will be able to provide an even more fertile environment and better facilities for nurturing future generations of design ventures.

During the year, InnoCentre served as venue sponsor for events organised by various partners. Among the events staged were networking activities, educational seminars, workshops, exhibitions and awards, as well as Hong Kong Design Centre's annual flagship events, Reinventing with Design (renamed as Knowledge of Design Week in 2011) and Business of Design Week. In addition, InnoCentre Open House 2011 was organised. Involving partner companies and incubatees, and attracting over 1,000 visitors, the event subsequently led to new business opportunities for some of them.

InnoCentre has provided venue, manpower, promotions and advertising resources to support nearly 650 activities, including exhibitions, showcases, expositions, and symposium by university graduates, design institutions and design firms. InnoCentre not only received highly positive feedback following such events, but also aroused wider community interest in design and creativity with almost 90,000 visitors making their way to InnoCentre this year.

Prominent activities conducted this year included the following:
• Dutch Pavilion Shanghai Expo 2010 Exhibition
• West Kowloon Cultural District Stage 2 Roving Exhibition and Public Engagement Exercise
• Hong Kong Polytechnic University Design Annual Show 2010 – Food for thoughts
• 2010 A Space Odyssey Graduation Exhibition (HKU Space)
• Hong Kong Community College Design Annual Exhibition
• Hong Kong College of Technology Graduation Show

Other participating projects which aimed at arousing public interest included the following:
• M-lab-HK PolyU Re-ignite Festival
• Create Hong Kong DesignSmart Initiative Booklet launch ceremony-cum-exhibition
• Cross Industry Matching Showcases 2011 by HK Innovative Entrepreneur Association
• Graffiti for the Youth Exhibition by Hong Kong Society for Education in Art
• Inter-school short advertising video competition by The Chinese Manufacturers' Association of Hong Kong

Key Statistics

<table>
<thead>
<tr>
<th>Occupancy</th>
<th>Number of partner companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>86.5%</td>
<td>52</td>
</tr>
<tr>
<td>94.5%</td>
<td>57</td>
</tr>
</tbody>
</table>

2009-10 2010-11
Strengthened Incubation Programmes for Even More Success

To encourage innovation-directed entrepreneurial activities, HKSTPC’s full-service incubation programmes provide technology and design start-ups with assistance while they are still at an embryonic stage. Starting with the 2-year Incu-Design Programme for design start-ups to the 3-year Incu-Tech Programme and 4-year Incu-Bio Programme for new technology and biotechnology companies respectively, the programmes include value-added support services that address the needs of new companies at key stages of development.

In addition to ready-to-use subsidised R&D fitted offices and a financial aid package, HKSTPC offers a range of support services including promotion assistance through product launches, marketing, exhibitions and business matching; training and talent development through forums, seminars and workshops; management support through the mentorship programme and consultancy services; investment matching events to connect with angel investors and venture capitalists and First@SciencePark, a new initiative to provide the opportunity for companies to trial their products before official market launch. Extensive technology support is also provided by the advanced laboratories and test centres staffed by a corps of experienced engineers.

Since 1992, the incubation programmes have nurtured 277 start-ups, of which nearly 80% continue to thrive today. Worth highlighting is that this year, HKSTPC has strengthened the brand building activities for incubatees, increasing both their local and international exposure. Apart from routine publicity and marketing assistance such as press releases and other media relations opportunities, HKSTPC also sponsored or participated in more than 20 exhibitions/tradeshows which were joined by incubatees during the year and actively solicited incubatees to participate in competitions such as the Wall Street Journal Asian Innovation Awards, Deloitte Fast 50 and the US-based National Business Incubation Association (NBIA) Incubatee of the Year. Outstanding results were achieved as indicated below:

<table>
<thead>
<tr>
<th>Incu-Tech/Incu-Bio</th>
<th>Incu-Design</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)* Finalists, Wall Street Journal Asian Innovation Awards 2010 (Asia)</td>
<td>(i)* Certificate of Appreciation from Labour Department</td>
</tr>
<tr>
<td>(ii)* Advanced Materials Enterprises Co. Ltd.</td>
<td>- Best Video Ltd.</td>
</tr>
<tr>
<td>(iii)* Intuitive Automata Hong Kong Ltd.</td>
<td>(ii)* Good Design Award 2010 (Japan)</td>
</tr>
<tr>
<td>(iv)* ConvenientPower HK Ltd.</td>
<td>- Cube* Ltd.</td>
</tr>
<tr>
<td>(v)* Escafe</td>
<td>- Office for Product Design Ltd. (UK)</td>
</tr>
<tr>
<td>(vi)* Office for Product Design Ltd. (UK)</td>
<td>(iii)* Design for Asia Award 2010 from Hong Kong Design Centre</td>
</tr>
<tr>
<td>(vii)* Fadtronics Innovation Ltd.</td>
<td>- Escafe</td>
</tr>
<tr>
<td>(viii)* Office for Product Design Ltd. (UK)</td>
<td>(iv)* IF Product Design Award 2011 (Germany)</td>
</tr>
<tr>
<td>- Funbox Ltd.</td>
<td>- Kalomix Ltd.</td>
</tr>
<tr>
<td>- Right Station Ltd.</td>
<td>- Office for Product Design Ltd. (UK)</td>
</tr>
<tr>
<td>(v)* Design Plus Award 2011 (Germany)</td>
<td>(v) Red Dot Award 2011 (Germany)</td>
</tr>
<tr>
<td>(vi)* Office for Product Design Ltd. (UK)</td>
<td>- Fadtronics Innovation Ltd.</td>
</tr>
<tr>
<td>(viii)* “Living Out the Red Cross Spirit — Snapshot on Humanity” Photo and Video Clip Competition</td>
<td>- hahahappiness CREATIVE dRIVE Ltd.</td>
</tr>
</tbody>
</table>

* All Hong Kong-based unless otherwise indicated
Major Developments

Boosting efforts to help start-ups acquire funding from angel investors, Hong Kong Business Angel Network (HKBAN), jointly initiated by the Corporation with four local universities and the Hong Kong Venture Capital and Private Equity Association, recruited 90 angel investors, almost double last year’s tally, by March 2011. With the expanded angel funding network, HKSTPC has conducted six angel matching meetings to support 24 start-ups to find angel funding. On average, each meeting was attended by 17 angel investors. Worth mentioning is that HKSTPC invited John May, a veteran angel investor from the U.S., to conduct the first ever angel investment workshop during InnoAsia 2010.

By leveraging relations with veteran venture capitalists and the Entrepreneurship Centre of The Chinese University of Hong Kong, the Corporation launched the Business Plan Consultancy Service, under which business plans of incubatees can be reviewed and enhanced according to the start-ups’ strengths — significantly boosting their ability in fund raising.

In another initiative, six luncheon gatherings dubbed MINGLE — Mingling of Incubatees/Graduates Network Gathering Luncheon Event — were organised for the programme participants to share their experiences as start-ups and to explore potential collaborations. At each event, incubatees and graduates of similar business/technology fields were seated at the same table. Each MINGLE session attracted an average of 33 companies and 62 entrepreneurs to attend.

Incubatees and Graduates Statistics

<table>
<thead>
<tr>
<th>Items</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incubatee graduates since programme inception</td>
<td>277</td>
</tr>
<tr>
<td>Incubatee graduates still in business since programme inception</td>
<td>216</td>
</tr>
<tr>
<td>Angel/Venture capital investment since April 2003 (HK$)</td>
<td>699M</td>
</tr>
<tr>
<td>IP registration applications filed since April 2003</td>
<td>444</td>
</tr>
<tr>
<td>Technical/design and management awards obtained since April 2003</td>
<td>204</td>
</tr>
<tr>
<td>IPO/Merger &amp; Acquisition/Spin-off transactions since programme inception</td>
<td>16</td>
</tr>
</tbody>
</table>

Year ended 31 March 2011

<table>
<thead>
<tr>
<th>Items</th>
<th>Incu-Tech/Incu-Bio</th>
<th>Incu-Design</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>New incubatees</td>
<td>22</td>
<td>27</td>
<td>49</td>
</tr>
<tr>
<td>Graduates</td>
<td>16</td>
<td>19</td>
<td>35</td>
</tr>
<tr>
<td>Total incubatees currently in the programmes</td>
<td>87</td>
<td>39</td>
<td>126</td>
</tr>
<tr>
<td>Angel/Venture capital investment (HK$)</td>
<td>32.63M</td>
<td>0</td>
<td>32.63M</td>
</tr>
<tr>
<td>Technical/design and management awards obtained</td>
<td>28</td>
<td>10</td>
<td>38</td>
</tr>
<tr>
<td>IP registration applications filed</td>
<td>49</td>
<td>8</td>
<td>57</td>
</tr>
</tbody>
</table>
Keeping the Pace in Asia’s Technology Race

To keep in touch with rapidly evolving technological advancements around the world, HKSTPC continuously strives to upgrade its state-of-the-art facilities and advanced support services, thus also ensuring that its partner companies and clients can continue to perform to the highest standards in the world’s innovation-driven environment. HKSTPC’s services cover the product development cycle from launch through to testing, providing both local and overseas technology companies with a range of premium services that are highly specialised, yet diverse in future opportunities.

During the year, the Technology Support Centre (TSC) completed nearly 6,500 analytical and testing jobs and served an additional 57 new users. On average, the TSC served 107 active users monthly and conducted 20 technical seminars in Hong Kong and China to promote the TSC’s services and its technical capabilities.

Major Cross-border Partnerships

HKSTPC has realised the potential of establishing mutually beneficial, cost-effective alliances with various Mainland Chinese institutes. New partnerships were formed this year, including a number of successful collaboration projects with Shenzhen and other parts of Guangdong province. Implementation of a secure IP platform for Peking University as well as 3GPP testing in collaboration with RFI, Morlab and other Mainland testing houses were realised.

HKSTPC also made efforts to strengthen the integrated circuit (IC) design industry, joining the State Integrated Circuit Design Industry Innovative Technology Services Alliance, which plays a key role in supporting the development of the IC industry at the state level. Through the MOU signed with Tianjin, PTDC has started development projects with China-Core, a home-grown CPU core.

IC Testing Partnerships with Mainland Companies from 2004 to 2010

<table>
<thead>
<tr>
<th></th>
<th>Completed</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Companies</td>
<td>Projects</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>306</td>
</tr>
</tbody>
</table>

Collaborations with Local Institutions in Equipment Sharing

In addition to its existing partnership with The Chinese University of Hong Kong (CUHK), the Corporation also entered into partnerships with other universities to expand its equipment sharing pool during the year, resulting in substantial capital expenditure savings for both HKSTPC and its users.

Two agreements were signed on biotech equipment sharing with the School of Chinese Medicine of the Hong Kong Baptist University (HKBU) and the Biotech Research Institute of the Hong Kong University of Science and Technology (HKUST) respectively.
Five advanced bioanalytical platforms including Liquid Chromatography coupled Mass Spectrometry (Triple Quadrupole MS with LC Chip-based interface) system, Liquid Chromatography coupled Mass Spectrometry (Quadrupole Time-of-Flight MS with LC Chip-based interface) system, Gas Chromatography (Electron Capture detection) system, High Performance Liquid Chromatography (Photodiode Array, Fluorescence, and Evaporative Light Scattering detections) system and Inductively Coupled Plasma Mass Spectrometry system are opened for sharing by HKBU, offering services in heavy metals and elements analysis, organochlorine pesticides (OCP) residue, and quantitative analysis of small molecules in plant extract, biological samples such as blood and urine and cell culture.

Thirty instruments (examples: 750MHz Nuclear Magnetic Resonance Spectrometer System, Fluorometric Imaging Plate Reader System TETRA, Phase Contrast Fluorescence Imaging System) are offered by HKUST for sharing and they cover different areas of sample preparation, sample analysis, bioassay, high throughput screening, molecular biology, cell biology and microscopy.

Equipment sharing also extended to support material analysis. An agreement was signed with the Science Faculty of HKBU to add its material characterisation equipment (X-ray Diffractometer, Transmission Electron Microscope, Ellipsometer and Surface Profiler) to the pool of Material Analysis Laboratory (MAL).

**Project Highlights**

- **Wireless Communications Test Laboratory (WCTL)** is accredited with ISO/IEC 17025 (No: CNAS L4683) by the China National Accreditation Service for Conformity Assessment, which enabled it to get recognition from the top tier wireless companies and resulting in projects such as the live network evaluation of an advanced High Speed Packet Access (HSPA) product, and 3GPP pre-conformance testing.
- **Lithium ion battery project** — To examine the raw materials and semi-finished Li-ion electrode products used in electrical appliances/ devices to prevent safety problems and optimise efficiency.
- **PV Test Laboratory** has been involved in the analysis of Concentrated Photovoltaic (CPV) defect analysis. By studying the tri-junction concentrated photovoltaic signals, i.e. extracting conversion efficiency of each junction, knowledge can be gained about where the defects are, and what its causes might be. It is particularly useful to our partner companies in speeding up the R & D process and improving quality control.
- **IP Servicing Centre** has been involved in customer multi-project wafer (MPW) tape-out. Key projects include two projects of 2GHz and 5GHz for Hong Kong customers and a 20GHz project for overseas customer in radio frequency (RF) applications such as biomedical imaging, RFID and base-station.

**Laboratory Services and Support**

(a) **Material Analysis Laboratory (MAL)**

- MAL is an advanced platform supporting the development of semiconductors, electronics, solid-state lighting and nanotechnology, covering chemical, material, surface and micro-analysis, failure analysis, as well as design debugging for new and existing products.
- Expanded services for electrolyte testing and gemstone analysis. This led to discussions with the Gemmological Association of Hong Kong regarding support for its gemstone testing project under the framework established by the Hong Kong Council for Testing and Certification.
- Extended support to the Nano and Advanced Materials Institute (NAMI) and DuPont in the development of tandem junction solar cells and copper indium gallium selenide technology.
Laboratories/Technology Centres & Technical Support Services

(b) Solid-State Lighting Test Laboratory (SSLTL)
- SSLTL provides multidisciplinary laboratory facilities and equipment for time-based research and the development of panel displays and LEDs.
- SSLTL established LED safety testing services and completed all inter-lab testing in collaboration with the Hong Kong Standards and Testing Centre (HKSTC). LED testing services offered in collaboration with TÜV SÜD, TÜV Rheinland, Intertek and the HKSTC were also extended.
- Supported both local and Mainland companies in LED lamp lumen measurement and maintenance. These included Toughstuff, ASTRI, Emitel, Guangzhou Research Institute of Optics-Mechanics-Electricity Technology, TPO Display, TÜV Rheinland Hong Kong, TÜV SÜD Hong Kong and SAE Magnetics.

(c) Solar Energy Technology Support Centre (SETSC)
- Established in March 2009, the role of the Photovoltaic (PV) Test Laboratory at the SETSC is to support a variety of solar panel related testing services including crystalline silicon terrestrial PV modules and thin-film terrestrial PV modules. Many of the test components, such as electrical performance, mechanical impact and environmental reliability, conform to IEC 61730 and IEC 61646 international standards.
- The only one of its kind in the region, SETSC also supports PV research and development in Hong Kong and the Pearl River Delta.
- Over the course of the year, PV testing services were expanded to support new customers including NAMI, HKBU, Speed to Market and Traxon.

(d) Wireless Communications Test Laboratory (WCTL)
- Set up to support the industry in the development and testing of wireless products, WCTL is the only testing laboratory in Hong Kong equipped with 3G and 3.5G testing capabilities for both pre-conformance and product testing. The laboratory also supports digital TV testing, MHEG5 interactive services and the testing of CMMB mobile DTV.
- The laboratory successfully won testing projects from leading international mobile chipset companies Sierra Wireless, Infineon and Intel Mobility.
- Collaborated with HKSTC on the Electrical and Mechanical Services Department's iDTV energy consumption projects and performed 3GPP testing together with test houses RFI and Morlab in Mainland China.

(e) Biotech Support Centre (BSC)
- BSC is equipped with over 40 pieces of laboratory equipment that support the areas of Chinese medicine, medical devices and diagnostics, regenerative medicine, molecular tools and reagents and therapeutics.
- Established a Laboratory Information Management System (LIMS) to provide a secured workflow and data management tool for local and foreign research and development companies. It enables companies to conveniently distribute key information to their stakeholders, freeing up their analysts' time for more value-added tasks.
BSC signed laboratory equipment sharing agreements with HKBU and HKUST this year. Through these extended laboratory services, a partner company was able to develop and validate a key bioanalytical method for peptides in dairy products.

(f) Probe and Test Development Centre (PTDC)
- Established in 2003, PTDC provides test development services and equipment rentals to incubatees and small and medium-sized enterprises (SMEs) that specialise in IC design. As a result, manufacturing cost and product development time are significantly reduced.
- PTDC offers a range of advanced equipment supporting digital, mixed-signal and RFIC device testing. Its expert engineering team provides test development support as well as pilot production capabilities.
- Major customers include ASTRI, Celestial, C2-Micro, DragonChip, China-Core, DisplayLink, nVidia, PowerLayer, and Solomon Systech.
- RF testing capabilities were upgraded in anticipation of rising market demand for RF products and test equipment to support the development of high-speed (3.6Gbps) devices.

(g) IC Design and IP Servicing Centre
- Established in 2003, the IC Design Centre provides incubatees and SMEs with on-demand EDA licensing services and Secure Virtual IP Chamber (SVIPC) services for design hosting and development, based on the international standards of the Information Security Management System (ISO27001).
- Major EDA customers include AppoTech, ASTRI, DragonChip, Microtech, MiniLogic, and RediSem.
- Established in 2006, the IP Servicing Centre (IPSC) provides IP licensing services for the prototype stage of IC development.
- IPSC has established new MPW IP partnerships with MIPS Technologies (USA), Chipus (Brazil) and Socle Technology Corporation (Taiwan). Other IP suppliers include ARM, IBM, Synopsys, and Cadence Design Systems. Users can trial use the IP for a fraction of production cost via the SVIPC.
- IPSC also provides MPW services for major fabrication vendors such as IBM, TSMC, Global Foundries, e-Shuttle (Fujitsu), SMIC and CSMC.

(h) Reliability Laboratory and IC Failure Analysis Laboratory
- Established in 2003, the Reliability Laboratory provides IC device qualification support, electronic product environmental qualification tests and stress tests.
- Established in the same year, the IC Failure Analysis Laboratory is equipped with high-precision wafer-level analysis equipment including a Focused Ion Beam, Emission Microscope, Laser Scanning Microscope, Scanning Electron Microscope, Reactive Ion Etcher, Real Time X-Ray Inspection System, ESD/Latch-up Tester and Scanning Acoustics Microscope.
- Major customers include Appotech, ASTRI, CamSemi, nVidia, Sierra Wireless, SiGe, Solomon Systech and Huawei.
- The lab upgraded the Focused Ion Beam machine to achieve higher performance in terms of copper metallisation processing.
Industry and University Collaboration

Supporting the Future with a Firm Network Foundation
Leveraging resources from local and overseas universities as well as industry, HKSTPC has established strong and extensive strategic networks and business ties with industry and academia. The Corporation’s partner companies and incubatees can thereby tap these resources and the resulting expertise, which, in turn, can facilitate a global exchange of knowledge and commercialisation of technologies. The Corporation spares no effort in enhancing and exploring industry and university cooperation that spurs and develops innovative ideas and products as well as business growth.

HKSTPC has been dedicated to strengthening its value-added services to incubatees and partner companies, through programmes ranging from technology support, business development and financing. Annual signature events such as Recruitment Day and regular networking activities provide a convenient platform for companies to select talents as well as to share ideas and create synergies across technology streams. During the year, the Corporation assisted 75% of its partner companies to boost their capability to innovate by providing career opportunities, technology or business collaborations, training and consultancy.

In addition, the huge talent pool consolidated by the Corporation offers tremendous recruitment support as well as a reservoir of expertise for the technology industry in Hong Kong, having sourced suitable talent with highly sought skillset or unique qualifications through close networks with professional organisations and universities. The ability to provide needed talent, in turn generates exciting career opportunities for university graduates in Hong Kong, China or even overseas. HKSTPC also strives to cultivate young minds, instilling creativity and entrepreneurial drive to spur the technological advancement of Hong Kong. The efforts of HKSTPC also helps to strengthen the supply of talent to meet the requirements of the growing innovation and technology sector that has been identified by the Hong Kong SAR Government as one of the six priority industries where Hong Kong enjoys clear advantages.

Major Developments

Strengthen services to support partner companies
Leveraging the industry and academic resources, HKSTPC aims to promote the growth of business and technology for the industry through a variety of service initiatives.

- Over 10 cases covering the areas of e-marketing, business software and LED technologies have successfully conducted product trials through First@SciencePark, which aims to offer companies a channel to test their prototypes at Hong Kong Science Park before market launch. It is also a means to showcase and demonstrate their products. One of the prototypes, an energy management system, proved highly effective in saving energy and has been deployed by HKSTPC permanently.

- A “Free Chat with Legal Experts” programme was introduced which arranged 50 complimentary face-to-face meetings for 33 partner companies/incubatees with a panel of eight law firms to discuss pertinent topics including business contracts, IP, arranging financing and expansion into China.

- HKSTPC regularly arranges meetings for its partner companies to explore potential business co-operation opportunities. Last year, about 40 partner companies were introduced to overseas and local enterprises, some via collaboration with HKSTPC partners such as International Association of Science Parks and Hong Kong Trade and Development Council.

- HKSTPC organised and co-organised more than 50 seminars as well as training programmes covering topics such as semiconductors, solar cells and intellectual property to managerial techniques for entrepreneurs, accounting, law and fund raising. More than 55% of the 10,100 man-hours of participation was from partner companies.
Facilitates commercialisation, business development and market intelligence support
HKSTPC offers opportunities for collaboration among partner companies and local and global network of renowned institutions, helping firms create, develop and commercialise their innovations.

- HKSTPC launched an intellectual property search engine, enabling users to retrieve the latest information about IP listings by local universities and institutions, namely, The University of Hong Kong, The Chinese University of Hong Kong, Hong Kong University of Science and Technology, City University of Hong Kong, The Hong Kong Polytechnic University, Hong Kong Baptist University and Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI). Nearly 2,500 IPs have been catalogued on the platform since the time of launch and the listing is updated regularly. Its search functions allow convenient access to IP information, encouraging the transfer of technology and ultimately turning the R&D efforts behind the IP into practical commercial applications.

- An intensive training course, HKU/Oxford Isis Technology Transfer Training Workshop, was organised in June of 2010, sharing insights and best practices on transferring research ideas from university research into industry commercialisation. The real world practical issues involved in commercialising early stage technology were discussed.

- Some 40 consultancy and university projects have been solicited from partner companies ranging from multinational companies to start-ups. This matching of research projects covers a wide range of technologies, from instant heating systems for hair appliances, precision engineering for analysis of watch components, business consultancy, and product development and enhancement to market research and analysis.

Talent development and recruitment
HKSTPC collaborates with academia and industry to elevate the quality of workforces, pooling both local and overseas talent and advancing technical skills of engineering staff through collaboration and training.

- Recruitment Day was successfully held on 26 March 2011 with some 2,000 job seekers and students participating and 60 partner companies at Science Park, InnoCentre and the Industrial Estates offering more than 400 job opportunities. In addition to walk-in interviews, career counselling presentations by representatives of partner companies were delivered to attendees.

- HKSTPC offers tailor-made recruitment support services on a global basis, reaching top universities such as Oxford University and Waterloo University as well as prestigious universities in Mainland China to help partner companies find talent, ranging from interns to large numbers of highly sought-after specialised professionals.

- To cultivate future talent and science entrepreneurs, HKSTPC supported a series of activities including the YDC Entrepreneurs’ Challenge, Shenzhen-Hong Kong University Students Creative Plan Championship, Hong Kong Awards for Industries: Technological Achievement, and many other programmes.
A Firm Commitment to Sustainable Development

The core principles of HKSTPC emphasise the importance of promoting sustainable development in conjunction with technological advancements. Hoping to build a diverse and balanced economy in Hong Kong, the Corporation will continue to ensure that its world-class facilities and advanced services remain environmentally and socially responsible. Four key areas, namely community involvement, employee participation, environment and stakeholder engagement, will be the main focuses. Consistent with this long-term commitment, HKSTPC also launched a number of other projects this year, with the goal of further stimulating sustainable technological advancement in local industry.

The development of a sustainable future for Hong Kong can be achieved through the assistance of science and technology. It is therefore crucial that the younger generations prepare to take over from the innovators of today, so as to direct society towards a brighter future. One of HKSTPC’s vital roles is to give encouragement to Hong Kong’s young scientists and provide them with the resources and drive to reach their full potential.

The Corporation had the honour of being named a Caring Organisation 2010/2011 again by the Hong Kong Council of Social Service, reaffirming its longstanding commitment to the local community.

Sharing with the Community

The Open to the Tech Public programme was established to familiarise the public with the Park and to help educate them on developments in technology and innovation. It received over 13,000 visitors this year. To succeed this popular visit programme, the Corporation has taken it one step further by establishing and introducing a new facility to engage the public — Tech Universe. Through a series of fun interactive games and exhibits, Tech Universe aims to enthuse and educate the public about the importance and relevance of innovation and technology in our daily lives.

Other creative and educational activities were held to nurture a fascination for science and technology. These included Hong Kong Science Park Photo and Video Contest and Hong Kong Technology and Renewable Energy Events (HKTREE). HKSTPC also refurbished and opened two interactive showcases in the Park to inspire younger generations to strive towards innovations in sustainable energy. These included the “Professor Charles K. Kao: The Father of Fibre Optics” Showcase and the Photonics Technology Showcase.
The Corporation also sponsored 35 events that attracted over 140,000 visitors. These included non-profit events such as the Hong Kong Student Science Project Competition, Dare Youth No Drugs Walkathon and Family Carnival, InnoCarnival and HKFYG 50th Anniversary Walkathon.

HKSTPC employees also ventured out to a number of charitable events, including the New Territories Walk for Millions, took part in Dress Casual Day organised by the Community Chest and expressed their compassion during the Japan 3.11 Donation.

Harvesting Local Talent

HKSTPC endeavours to open more opportunities in the technology field for local university graduates, while at the same time assisting its partner companies find the best talent available. HKSTPC launched a series of programmes in collaboration with its partners, including:

- Initiatives for accessing experienced pools of working executives through local and overseas universities. There were 22 such collaborations with partners that included The Chinese University of Hong Kong’s MBA Programme, Hong Kong University of Science and Technology’s Business School and the final-year programme of the University of Ontario Institute of Technology.

- Recruitment Day, where over 400 job opportunities offered by 60 of the Park’s partner companies were met with overwhelming response from approximately 2,000 candidates.

- Offered over 1,000 positions through the Talent Pool Platform and other activities including tailor-made recruitment exercises for partner companies.

- The YDC Entrepreneurs’ Challenge, an annual entrepreneurial competition for full-time tertiary students, running for the 10th consecutive year in Hong Kong.

- The first Shenzhen-Hong Kong University Students Creative Plan Championship.
In recognition of the dedication and talent of HKSTPC’s employees, the Corporation invested significantly in its workforce through a number of personal development programmes that were designed to empower staff both in their professional and personal lives.

**Human Resources and Corporate Culture Initiatives**

- Enhanced employees’ understanding of the Corporation’s vision, mission statements and core values.
- Reviewed the Directional Organisation Structure, including detailed departmental roles and responsibilities. Long-term manpower plan and reward strategy were presented to the Senior Staff Administration Committee.
- The Sports and Recreation Committee organised various sports and recreation activities where staff could mingle as part of the HKSTPC family.

**Promoting Internal Communications**

- Held regular mass communication sessions, where the CEO updated employees on the Corporation’s operations, key achievements, challenges and fresh management initiatives. Q&A sessions also provided an open platform for two-way communications between management and staff.

**Skills Enhancement and Career Path Development**

- Emphasised ongoing training and development through both external education courses and in-house programmes.
- Maintained a policy of recruiting from within the organisation and encouraging employees to move up the career ladder, strengthening their sense of belonging and contributing to a positive employer brand. All job opportunities are posted internally to encourage career development as well.
HKSTPC has always supported green policies in Hong Kong and is committed to fighting global warming through energy conservation. This year, above-average results from carbon and energy audits conducted on selected buildings in the Park have substantiated this. The endorsement of the Clean Air and Carbon Reduction Charters in 2008 has also been beneficial.

The Corporation is moving forward with the development of Phase 3 of the Park, which is being planned with a focus on green technology. The facilities will be designed to demonstrate the practical application of sustainable technologies, establishing a framework for the design and operation of large-scale sustainable building projects in the region.

Energy-efficient policies are also being formulated to reduce the carbon footprint of existing premises. Some of the measures established this year include the following:

**Strict Conservation Procedures**
- Installed LED light fittings for all public areas at the Photonics Centre and Philips Electronics Building.
- Buildings 1 to 19 were awarded blue certificates under the Water Supplies Department’s Quality Water Recognition Scheme for the second year, while InnoCentre was awarded the silver certificate.
- Green 18 has been accredited by the Business Environment Council, earning the rating of BEAM Platinum.
- Indoor air quality measurement and certification for Phases 1 and 2 buildings are in progress.
- Completed an energy audit for Phase 2’s R&D buildings and chiller plants in January 2011.

**Responsible Waste Management**
- Chemical waste producer licences are maintained for all laboratories, and companies operating in the Park are required to do the same.
- Only licensed chemical and biological waste collectors are contracted by the Park.
- Wastewater discharge is monitored on a monthly basis to limit its adverse effects on the environment.
- Implementation of waste separation at the Park.

**Nurturing Green Thinking**
- Used battery collection boxes and waste separation bins are placed throughout the Park’s common areas to encourage recycling. Campaigns are also held to collect mooncake tins, used computer parts and more.
- Endorsed the World Wide Fund’s Earth Hour 2011 campaign, as well as other green movements.
HKSTPC’s stakeholders include its employees, partner companies, business partners, academia, suppliers, the government, media and other parties interested in its operations. To engage such a diverse audience, the Corporation manages a range of communication channels to ensure that expectations are met at every level. These efforts receive the full backing of senior management, who represent the Corporation at numerous events throughout the year.

The Corporation also makes good use of digital channels to communicate with its stakeholders. Averaging over 110,000 visitors each month, the HKSTPC website provides a central location from which to broadcast information in an environmentally friendly way. To keep people updated, the e-newsletter, HKSTPConnect, was changed from a quarterly to a monthly issue, in order to provide the most updated information and highlights of HKSTPC. This is dispatched to over 8,000 targets per month.

The following efforts were also made to enhance stakeholder engagement:

- A total of 45 management meetings were convened to consider and approve certain management proposals, and timely responses were provided to address internal comments on the circulation papers.
- Senior management proactively engaged the media via a series of friendly luncheons. They also visited the Park’s incubatees to discuss the potential of local technology start-ups.
- A perception survey was conducted covering both the public and business segments. Improved and satisfactory results with regards to awareness of HKSTPC was revealed.

Involving the Public

An integrated communications campaign was launched through multiple channels to promote the HKSTPC brand. This included corporate and business advertising as well as success stories from the Park’s incubatees and partner companies. Various public relations events were also held throughout the year, including launch ceremonies for the “Professor Charles K. Kao: The Father of Fibre Optics” Showcase, Tech Universe and Photo and Video Contest. The Park received positive media coverage for each event, enhancing the public’s understanding of the Park and its mission.
Bridging Academia and Industry and Nurturing Incubatees
HKSTPC and its partner companies teamed up with academia and the local technology industry to offer a series of collaboration programmes, seminars and conferences. Details of these collaborations between industry and universities are set out in pages 36 to 37. Equally high on the Corporation’s agenda is the need to nurture technology and design entrepreneurs for the sustainable development of local industries. HKSTPC continued to offer full-service Incubation Programmes to assist start-ups during their vulnerable inception stages. Details and success stories from these programmes are set out on pages 30 to 31.

Objectives for 2011/12
HKSTPC recently received Occupational Health and Safety Assessment Series certification for its offices. The entire corporation is now certified after its laboratories were awarded certification in 2009 in recognition of management’s efforts towards raising the accountability of the Corporation’s employees.

Looking forward, the Corporation will strive to enhance its approach towards management and operations to provide world-class infrastructure and services for Hong Kong’s technological growth. It will also maximise its stakeholder engagement to raise the transparency of HKSTPC’s operations, especially when Phase 3 is under development.
Future Plans

At the forefront of ever-changing innovations, HKSTPC has been providing leading-edge infrastructure and support services enabling R&D and technology to flourish as Hong Kong advances as a leader in today’s global knowledge-based economy. To ensure long-term sustainable growth locally and globally, green technology is essential and its development is gaining momentum to address the twin imperatives of environmental protection and generating renewable energy, with its promise of transforming how we live and work. Green 18 and Phase 3 of Hong Kong Science Park represent HKSTPC’s commitment to drive Hong Kong’s rise as the showcase of green technologies in the region.

Green 18

Hong Kong crossed a threshold in nurturing green technologies on 24 May 2011 when Green 18, a state-of-the-art environmentally friendly and operationally efficient building in Phase 2 of Hong Kong Science Park, officially opened at a ceremony coinciding with the 10th anniversary of HKSTPC. The 8-storey building with a total gross floor area of 9,400 square metres is to serve as a model for the development of Phase 3, planned to be a home for green technology companies.

Besides being an R&D centre, Green 18 is also an educational facility showing the green concept in action while introducing green features to industry and the public. Its Green Concept booths, which are open to the public, incorporate a variety of interactive demonstrations providing energy savings statistics for operations in real-time which are indicators of the benefits of green technologies.

Phase 3 of Hong Kong Science Park

With the funding arrangement of Phase 3 approved by the Finance Committee of Legislative Council in April 2010, planning and preparation work was started in the fourth quarter of the fiscal year. Phase 3 has been conceived to provide end-to-end support infrastructure focused on fostering environmental and renewable energy technologies, including energy management systems and materials recycling technology. The planning and development of Phase 3 has made important progress during the year.
The task force for Phase 3 formed in June 2010 has taken significant strides forward, compiling a sustainability master planning roadmap, the execution of the land grant for Phase 3 and formulating the design objectives. In addition, a study report on green infrastructure has been completed while specific green tech sub-sectors and laboratory facilities have been recommended and are to be incorporated in the development plan for Phase 3. Progress has continued beyond the planning stage and major consultants were appointed in end 2010. Ground investigation works and the erection of hoardings and a covered walkway were substantially completed in March 2011. While the design work of Phase 3 is ongoing, the groundbreaking ceremony for Phase 3 will be held in the fourth quarter of 2011.

Covering a total site area of 6.24 hectares, the buildings planned for Phase 3 will provide a total gross floor area of around 105,000 square metres. About 85% of this space is to be R&D offices with the remaining areas to be reserved as laboratories and for ancillary support services. Phase 3 is scheduled for completion in stages from late 2013 to 2016.

It is expected that an additional 150 companies will be accommodated on the premises of Phase 3. Phase 3 will contribute approximately HK$5.35 billion of value-added to the Hong Kong economy from 2014 to 2019 and HK$1.9 billion per year from 2020 onwards. Approximately 5,000 construction related jobs will be generated during construction and some 4,000 R&D-related professional positions will be created when Phase 3 is fully occupied.

Reach Out to the Global Community

With the mission to foster the development of innovation and technology in Hong Kong, HKSTPC will remain dedicated to playing a leading role in driving industry growth, as well as upgrading production and service capabilities. An important strategy in this direction will be facilitating technological collaboration between Hong Kong and China, as the latter has developed an increasingly competitive high-tech economy and become an undeniable force in the world market and industry.

HKSTPC will continue to be a catalyst in the Shenzhen Hong Kong Innovation Circle, sparking closer collaboration among industries and enterprises in the two locations and elsewhere. The synergies realised will create powerful business opportunities through leveraging Hong Kong's unique advantages for research and development, management and finance with Shenzhen's complementary R&D as well as its strong production base and infrastructure.

In the near future, the Corporation will play a more active role in supporting the innovation and technology sector that has been identified by the Hong Kong SAR Government as one of the six priority industries where the SAR enjoys a clear advantage. Green technology development is another important focus area which not only fits within the environmental industry, another Government priority sector, but also addresses a crucial national concern under China's Twelfth Five-Year Plan.

Sustainable Growth of Innovation and Technology in Hong Kong

To maintain the momentum of technological growth for the long term, the Corporation views it as imperative to nurture future scientists and entrepreneurs and to cultivate greater public awareness of science and technology. Community engagement is the key towards realising this end, and HKSTPC will remain committed to educating the public on the importance of science and technology development, through interactive activities and public-friendly facilities at Hong Kong Science Park such as Tech Universe, Professor Charles K. Kao: “The Father of Fibre Optics” Showcase and other activities, including the annual Photo Contest and support for the Hong Kong Technology and Renewable Energy Events. Aside from the 10th anniversary activities, to draw student and stakeholder involvement, HKSTPC is set to introduce several exciting events in the following months. Among the many celebratory programmes to look forward to include an online mini-game, and the annual flagship business conference, InnoAsia.

Another challenge will be to continuously inspire the next generation of engineers, scientists and technology entrepreneurs to devote their career to technology and applied scientific research and consolidate a talent supply chain for the industry. To accomplish this mission, HKSTPC will step up the collaboration with universities and research institutions to strengthen the talent pool, while soliciting job opportunities to graduates of the science curriculum. The Corporation's efforts to motivate and educate future innovators not only will enable industries and enterprises to design, develop and manufacture innovative products but also drive the continued transformation of Hong Kong's economy and maintain the SAR's competitive edge.
Corporate Governance Report

Our Commitment

Hong Kong Science and Technology Parks Corporation (‘HKSTPC’) is committed to maintaining good corporate governance as it believes that accountability, transparency, fairness and ethics are the key principles and practices which will enable its stakeholders, including shareholders, customers, suppliers, employees and the community, to build up trust and confidence in the Corporation to meet their needs.

The Corporation, being a statutory body incorporated under the Hong Kong Science and Technology Parks Corporation Ordinance (‘HKSTPC Ordinance’), shall conduct its business according to prudent commercial principles and follow the best practices. As such, the Corporation has decided to adopt the Code of Corporate Governance (the “Code”) as set out by the Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules to the extent that they are applicable to the Corporation.

Corporate Governance Structure

* Task Forces are formed on an ad hoc basis to oversee major projects and make recommendations to the Board or relevant Committees for approval. Please refer to page 48 of this report.
The Board

The Board governs and leads the Corporation in a responsible and effective manner. It establishes the strategic direction of the Corporation and monitors its performance.

Board Composition

As of 31 March 2011, the Board consists of a Non-Executive Chairman and fourteen Non-Executive Directors (NEDS). Currently, the Board has seventeen NEDS including the Chairman as two Board Members retired and four new Board Members were appointed with effect from 1 July 2011. The Chairman is appointed by the Chief Executive of HKSAR Government whereas the Board Members are appointed by the Financial Secretary. All Board Members are appointed without receiving any honorarium for a term of two years and can be re-appointed upon expiry of their terms of office.

The Chief Executive Officer (“CEO”) is appointed by the Board as a remunerated full-time employee of the Corporation. The roles and responsibilities of the Chairman of the Board and the Chief Executive Officer are separate enhancing independence and accountability.

Board Members come from varied but relevant backgrounds with diverse skills and experience. Fourteen of them come from various business fields, including industry, finance, investment, trading, property, legal and accounting, two of them are university professors and one member is a public officer, who is the Permanent Secretary for Commerce and Economic Development (Communications and Technology). Biographical details of the Directors are set out in the section of “Board of Directors” of the Annual Report on pages 15 to 21.

Board Code of Conduct

Board Members are given an induction program and a Director’s Manual which consists of HKSTPC Ordinance, Shareholding Agreement, Terms of Reference of Committees, Delegated Authorities, a Guide to Handle Corporate Governance Matters and the Corporation’s policies. Board Members are aware of their collective and individual responsibilities in managing and monitoring the affairs of the Corporation. They should act in good faith and in the best interests of the Corporation.

Board Members are required, on an annual basis, to declare their proprietorships, partnerships or directorships of local and overseas public or private companies, remunerated employments, offices, trades, professions or vocations and interests in shareholdings in any public or private companies. They are also required to inform the Board Secretary within fourteen days when there are any changes in their previously reported declaration. A register of Board Members’ declaration of interests is kept by the Board Secretary and made available for public inspection upon request.

Board Members are required under the HKSTPC Ordinance to declare their direct or indirect interests in any contracts or proposals considered by the Board and Committees and withdraw from the consideration of these issues. Board Members, as a matter of principle, should avoid entering into any business contract with the Corporation in their personal capacity, i.e. 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 Board Member will bid for contract with the Corporation in his/her personal capacity, he/she should adhere to the guidelines on managing possible conflict of interest stipulated in the Guide to Handle Corporate Governance Matters.
Corporate Governance Report

Board Functions
The Board formulates strategic plans and steers the projects of the Corporation. It approves the annual budget and its accompanied 10-year financial projection. It also approves the appointment of external auditor and his remuneration.

The Board was chaired by Mr. Nicholas Brooke. It met seven times during the year with an average attendance rate of 81%. Attendance record of each individual Member is shown on page 51 of this report.

The Chairman frequently meets with the Permanent Secretary for Commerce and Economic Development (Communications and Technology), the Commissioner for Innovation and Technology, the Committee Chairmen and the CEO to review the Corporation’s business plans and future development.

The Corporation makes available to Board Members a list of Professional Advisers to advise the Board whenever deemed necessary and 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.

Directors’ Responsibility for the Accounts
The Directors acknowledge their responsibilities for ensuring that the preparation of the annual accounts of the Corporation is in accordance with statutory requirements and applicable accounting standards.


Board Committees
Under the Board, there are five standing Committees, namely Business Development and Admission Committee, Finance and Administration Committee, Projects and Facilities Committee, Audit Committee and Senior Staff Administration Committee. Terms of Reference of the Committees set out the function, membership, quorum, management’s representatives, frequency of meeting, duties, voting and reporting procedures of the Committees. These Committees are accountable to the Board for their recommendations and decisions.

Task Forces are also set up to handle specific projects. The Task Force for InnoCentre oversees the operations, marketing and programmes of InnoCentre. The Task Force for Biotechnology, set up in 2007, has successfully steered the development of the biotechnology cluster which has grown to be the third largest cluster in Hong Kong Science Park having admitted 49 biotech companies in the past 3 years. The said Task Force was eventually dissolved in January 2011. The Task Force for Rental Review which meets on an annual basis reviews the rental guidelines by engaging a property consultant to provide the market analysis. These Task Forces report and make recommendations to the Business Development and Admission Committee.

In addition, the Task Force for Phase 3 was formed in June 2010 to steer the Phase 3 development project including the review of the design contents, quality level, development cost and timeline of the development and to report direct and make recommendations to the Board for approval.
Business Development and Admission Committee
The Business Development and Admission Committee ("BDAC") reviews applications for admission as tenants and grantees into the Corporation's buildings and premises. It recommends to the Board the overall marketing strategies and plans, and approves the implementation of major marketing programmes and activities in accordance with plans approved by the Board. The Committee also keeps under review the Corporation's admission criteria, terms of admission, land premium and rental guidelines and recommends major changes to the Board for consideration and approval.

The BDAC had eleven Members and was chaired by Mr. Nicholas Brooke. It met seven times during the year with an average attendance rate of 81%. Attendance record of each individual Member is shown on page 51 of this report.

Finance and Administration Committee
The Finance and Administration Committee ("FAC") recommends accounting policies and annual budget and its accompanied 10-year financial projection to the Board for consideration and approval. It reviews the financial performance of the Corporation and its segment accounts on a quarterly basis and recommends the cash reserve level of the Corporation. It recommends to the Board major changes in job grading, compensation and benefits policy and salary adjustment. It also advises the Board on administrative and human resources policies.

The FAC had five Members and was chaired by Mr. Humphrey Choi. It met five times during the year with an average attendance rate of 93%. Attendance record of each individual Member is shown on page 51 of this report.

Projects and Facilities Committee
The Projects and Facilities Committee ("PFC") monitors the construction and property and facilities management of Hong Kong Science Park, InnoCentre and Industrial Estates. It recommends to the Board new development (whereas the Phase 3 project is overseen by the Task Force for Phase 3), re-development and capital works projects to be undertaken by the Corporation and the modality for facilities management of the Corporation. It also approves or recommends to the Board the award of contracts for capital works, facilities management and related consultancy services.

The PFC had five Members and was chaired by Mr. Tom Tang. It met four times during the year with an average attendance rate of 90%. Attendance record of each individual Member is shown on page 51 of this report.

Audit Committee
The Audit Committee ("AC") oversees the internal audit function and considers the appointment, reappointment 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 with a view to complying with recognized standards and to achieving continuous improvement.

The AC had four Members and was chaired by Mr. Wong Ming Yam. The AC met three times during the year with an average attendance rate of 100%. Attendance record of each individual Member is shown on page 51 of this report.
Corporate Governance Report

During the year under review, the AC performed the following duties:

- reviewed and recommended the annual audited accounts to the Board;
- reviewed the internal control reports and annual internal control framework of the Corporation;
- approved the annual internal audit plan; and
- reviewed the adequacy of resources and effectiveness of the internal audit function.

Senior Staff Administration Committee

The Senior Staff Administration Committee (“SSAC”) comprises the Board Chairman, Committee Chairmen and the Government Member of the Board. The Committee is responsible for setting performance targets, assessing performance and recommending remuneration policies and contract renewal of all senior executives (first three tiers – CEO, VP and GM) of the Corporation. It also determines variable remuneration rewards for senior executives and recommends variable remuneration rewards of the CEO to the Board.

The SSAC had five Members and was chaired by Mr. Nicholas Brooke. It met nine times during the year with an average attendance rate of 93%. Attendance record of each individual Member is shown on page 51 of this report. One other Board Member was invited to participate in two Committee Meetings which served as the panel interviews for the position of Vice President, Projects & Facilities.

During the year under review, the SSAC performed the following duties:

- approved the appointment of two executive search firms for the search of the positions of Vice President, Projects & Facilities and Vice President, Marketing & Sales;
- reviewed and scored the performance of the Corporation against the targets set in the Corporate Performance and Measures Scorecard for the financial year 09/10;
- determined the variable pay for senior executives for the financial year 09/10;
- renewed the short term employment contract of one Vice President; and
- reviewed and recommended appointments of senior staff and its related compensation package.

Meeting Procedures

The Board, Committees and Task Forces convene meetings on a regular basis. Special meetings will be held as and when necessary.

Management circulates papers seven days prior to the Board, Committee and Task Force meetings to provide adequate information for Board Members in a timely manner to facilitate their deliberation of the issues and decision-making. Management also circulates Board/Committee papers in lieu of meetings to seek Members’ approval of their proposals. Board/Committee papers are not circulated to those Board Members who have conflict of interests in relation to issues to be considered by the Board/Committees.

The Board/Committee Secretaries record the major points of discussions, recommendations, decisions and action items arising from the meetings and submit Committee Reports to the Board for information. The outstanding matters are followed up by the relevant divisions and progress updates are reported at the subsequent Board / Committee meetings.
### Meeting Attendance

A summary of meeting attendance of Board Members for the period from 1 April 2010 to 31 March 2011 is as follows:

<table>
<thead>
<tr>
<th>BOARD MEMBERS</th>
<th>MEETINGS</th>
<th>Board of Directors</th>
<th>BDAC</th>
<th>FAC</th>
<th>PFC</th>
<th>AC</th>
<th>SSAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Nicholas BROOKE</td>
<td>7 / 7</td>
<td>7 / 7</td>
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<tr>
<td>Permanent Secretary for Commerce and Economic Development (Communications and Technology) or his/her alternate</td>
<td>7 / 7</td>
<td>7 / 7</td>
<td>5 / 5</td>
<td>4 / 4</td>
<td>3 / 3</td>
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<tr>
<td>Dr John CHAI Yat Chiu</td>
<td>4 / 7</td>
<td>5 / 7</td>
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<tr>
<td>Dr. Eliza CHAN Ching Har</td>
<td>4 / 7</td>
<td>6 / 7</td>
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<tr>
<td>Mrs. Alice CHIN Hang Yin</td>
<td>4 / 7</td>
<td>4 / 7</td>
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<tr>
<td>Mr. Humphrey CHOI</td>
<td>7 / 7</td>
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<td>3 / 3</td>
<td>9 / 9</td>
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<tr>
<td>Mr. Tony CHOI Siu Chow (Joined PFC on 1 August 2010)</td>
<td>6 / 7</td>
<td>6 / 7</td>
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<td>3 / 3</td>
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<tr>
<td>Mr. Locky CHU Kwan Lam (Retired from the Board on 30 June 2010)</td>
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<tr>
<td>Mr. David FONG Man Hung (Appointed on 1 July 2010)</td>
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<tr>
<td>Professor Nancy IP Yuk Yu</td>
<td>6 / 7</td>
<td>5 / 7</td>
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<td>2 / 4</td>
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<tr>
<td>Mr. LEE Shing See (Retired from the Board on 1 December 2010)</td>
<td>4 / 4</td>
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<td>3 / 3</td>
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<tr>
<td>Mr. LIU Sing Cheong</td>
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<tr>
<td>Mr. MAK Chai Kwong (Appointed on 1 January 2011)</td>
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<tr>
<td>Mrs. Agnes MAK TANG Pik Yee (Retired from the Board on 12 November 2010)</td>
<td>4 / 4</td>
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<td>3 / 3</td>
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<tr>
<td>Mr. Joseph PANG Yuk Wing</td>
<td>6 / 7</td>
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<td>5 / 5</td>
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<tr>
<td>Mr. Tom TANG Chung Yen</td>
<td>4 / 7</td>
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<td>4 / 4</td>
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<td>6 / 9</td>
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<tr>
<td>Mr. WONG Ming Yam</td>
<td>7 / 7</td>
<td>7 / 7</td>
<td>-</td>
<td>4 / 4</td>
<td>3 / 3</td>
<td>9 / 9</td>
<td></td>
</tr>
<tr>
<td>Professor Kenneth YOUNG</td>
<td>5 / 7</td>
<td>6 / 7</td>
<td>3 / 5</td>
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</tbody>
</table>

**BDAC** - Business Development and Admission Committee  
**FAC** - Finance and Administration Committee  
**PFC** - Projects and Facilities Committee  
**AC** - Audit Committee  
**SSAC** - Senior Staff Administration Committee
Management And Staff

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

Ethical Behavior And Culture

Guidance on the ethical behaviour of the Corporation has been well defined in the Corporation’s Employee Code of Conduct. In August 2010, the Employee Code of Conduct was reviewed and fine-tuned covering prevention of bribery, conflict of interest, acceptance of gifts and advantages, handling of confidential information and preservation of secrecy, intellectual property, and outside-business or employment. ICAC is invited to give briefing on prevention of bribery and conflict of interest to the employees of the Corporation on a regular basis. Staff Members are also reminded of the compliance with the Code of Conduct from time to time.

Internal Control And Risk Management

The Corporation aims to maintain a high standard of corporate governance and enhance its transparency and accountability to the public. 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 Governance Improvement Programme, whereby employees and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective of this arrangement is to ensure independent review of such matters. Information on this programme can be found on the Corporation’s website.

Internal Audit

The Internal Audit function was established in November 2004 as part of the Board’s and Management’s ongoing commitment to improve the Corporation’s corporate governance. The Internal Audit function reports directly to the Audit Committee. Internal Audit plays an important role in monitoring the Corporation’s internal governance and strives to provide objective assurance to the Board that a sound risk management and internal control system are maintained and operated by Management. Using risk-based methodology, Internal Audit 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 have been conducted with audit resources focusing on the higher risk areas. Ad hoc reviews have also been conducted on areas of concern identified by the Audit Committee and Management. Audit findings and recommendations arising from different assignments have been reported to the respective heads of divisions for action, and Internal Audit has followed up with the implementation of the agreed actions. Significant issues have been brought to the attention of the Audit Committee and the Board.
Annual Review of Internal Control System
Management with the assistance of Internal Audit function performed an annual review of the Corporation's internal control system in accordance with the COSO (the Committee of Sponsoring Organisations 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 was designed to assess 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 was performed by the Internal Audit function.

External Audit
After conducting a tender for the provision of external audit service, the Board in December 2010 appointed Ernst & Young as the Corporation's external auditor to conduct an audit of its financial statements. The external auditor plays an important role in reviewing the truth and fairness of the financial statements as well as enhancing the system of internal controls of the Corporation. 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. In order to be effective, the external auditor has to maintain total independence. The Audit Committee has reviewed each year a letter from the auditors confirming their independence and objectivity and to discuss with the auditors 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.

The auditor's remuneration in respect of audit services and audit related services provided to the Corporation was HK$375,000 and HK$53,000 respectively for the year ended 31 March 2011. In addition, the auditor has not performed any non-audit related service during the year.

Accountability
The Board and Finance and Administration Committee review the quarterly financial and operational performance of the Corporation as well as its half-yearly performance in terms of mission, financial and operational targets and organization development goals set in the Corporate Performance and Measures Scorecard. A full-year performance report will be submitted to various Committees and the Board for review.

Delegation of Authority
The authorities of the Board, and those it delegated to the Committees and Management are clearly defined and documented in the Schedule of Delegated Authorities. In August 2010, the delegation of authorities was updated by incorporating procurement of legal service, sponsorship in cash/value-in kind and approval of leave application by assistant managers (as line managers).
Corporate Governance Report

Compliance

The Corporation is a statutory organization established pursuant to the HKSTPC Ordinance. Section 7 of the HKSTPC Ordinance provides that the Corporation shall conduct its business according to prudent commercial principles. Taking into account this statutory mandate, the Corporation follows the compliance standards of major commercial organisations in Hong Kong, to the extent that they are applicable to the Corporation.

The Corporation has adopted the principles set out in the Code issued by the Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules, except those which are set out below.

<table>
<thead>
<tr>
<th>Code provision</th>
<th>Reason for deviation</th>
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<tbody>
<tr>
<td>A.4.1, 4.2</td>
<td>Non-executive directors should be appointed for a specific term, subject to re-election. Directors appointed to fill a casual vacancy should be elected by shareholders at the next annual general meeting. Directors should be subject to retirement by rotation at least once every three years.</td>
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<tr>
<td></td>
<td>This provision is not applicable to the Corporation since the Chairman is appointed by the Chief Executive of HKSAR Government and other directors are appointed by the Financial Secretary. A director’s term of office is stipulated in Schedule 2 to the HKSTP Ordinance.</td>
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<tr>
<td>A.5.4</td>
<td>Directors must comply with obligations under the Model Code for Securities Transactions and the Board should establish guidelines for employees dealing in the securities of the company.</td>
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<tr>
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<td>This provision is not applicable because all of the Corporation’s shares are held by the Financial Secretary Incorporated and are not publicly traded.</td>
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<tr>
<td>B.1.3</td>
<td>The Remuneration Committee should make recommendation to the board on policy and package for all remuneration of directors and senior management.</td>
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<tr>
<td></td>
<td>The Board of Directors do not receive any remuneration. The remuneration package of the Corporation’s senior management is recommended by the Senior Staff Administration Committee to the Board.</td>
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<tr>
<td>E.1.1, E.1.2, E2</td>
<td>These code provisions deal with the proceedings for annual general meetings.</td>
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<tr>
<td></td>
<td>These provisions are not applicable as the Corporation has only one shareholder and is not required to hold annual general meetings.</td>
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</tbody>
</table>

Transparency

The Corporation reports annually to the Secretary for Commerce and Economic Development the remuneration arrangements for the top three tiers of senior management including the CEO, Vice Presidents and General Manager.

For transparency purpose, the annual emoluments of the Corporation’s CEO and its five highest paid employees are disclosed under note 9 to the financial statements (Five Highest Paid Employees) on page 23 of the Report of the Directors and Financial Statements.

The attendance of Directors at Board and Committees Meetings is reported in the section “Meeting Attendance” on page 51 of this report.
Communication

The Corporation believes in and proactively maintains open and transparent communication with our stakeholders. We employ multiple channels and tools to ensure easy and direct communication including the corporate website, monthly e-newsletter, numerous press briefings and interviews, and participation in a wide range of local and overseas exhibitions and conferences. Annual reports and information on our programmes and offerings are available on our website for public access.

To raise public awareness and enhance understanding of the Corporation’s role and contribution in driving innovation and technology development in Hong Kong, brand advertising was sustained in multiple outdoor channels including the Cross Harbour Tunnel, MTR, and bus and tram shelters with a view to extending our reach to the busy general public. Various media campaigns to support PR initiatives and public events were also conducted during the year.

Visit and utilisation of the Park’s facilities by the public community are always encouraged. Through participation in various activities, the public gets to know the latest technology and innovation initiatives.

Regular internal communication meetings are held in which the senior management updates staff members on corporate and divisional performance, new projects and facilities, corporate policies and answer their questions.

Corporate Citizenship

The Corporation has again been awarded the ‘Caring Organisation’ of the Hong Kong Council of Social Service “Caring Company Scheme” in recognition of our community involvement and our commitment in being a corporate citizen in the year 2010/11. This is the third year we have received this award. It has further demonstrated our commitment to and involvement in serving the community.

For the past year, we continued to integrate corporate social responsibility into our business model. The Corporation organised and supported a lot of activities and events that targeted to educate and engage the public, including the Centre for Creative Science and Technology which aims at nurturing the young scientific minds; and the Golden Egg Sunday series that promotes interest in science and technology. The Corporation also set up the permanent "Professor Charles K. Kao: Father of Fibre Optics" Showcase at the Park, which aims to inculcate youngsters’ interest in science and technology as well as educate the general public on how the optical fibre technology revolutionised data transmission and communication. Besides, the Corporation has also revamped the Photonics Technology Showcase by updating the content to include the latest photonics technology and commercialised applications.

Apart from promoting a balanced life amongst staff through various activities organised and sponsored by the Corporation's Sports and Recreation Committee, we have also put in a lot of effort to provide a safe working environment. The Corporation received the Occupational Health and Safety Assessment Series (OHSAS 18001:2007) certification for our offices in March 2010. A combined certificate for both the laboratories and offices was obtained in April 2011.

To contribute to a greener environment, the Corporation has taken multiple initiatives, among which is Green 18 – a prototype building to test out some latest green technologies and set the tone for the Phase 3 development which will be designed and built to showcase practical environmental technologies.
Entries from Hong Kong Science Park Photo & Video Contest 2010