Electronics Cluster
Tap into Largest Segment in Manufacturing Industry
Electronics has so ingrained in our daily life that it’s hard to imagine a world without it. It makes smart factories and robots possible, hugely enhancing accuracy, reliability and productivity while reducing wastage. It gives rise to telemedicine technologies that allow more to manage their health via the internet and e-communication tools. It forms the basis of digital technologies which enhance the quality of life, efficiency and resource allocation in a smart city. The global consumer electronics market was valued at US$1,224.8 billion in 2014, making it one of the largest segments in manufacturing industry.

Thanks to the shifts into local manufacturing and rising awareness in innovative electronic products, the global consumer electronics market is projected to reach US$2,976 billion by the year 2020, with a CAGR growth of 15.4%. Smart home devices, smartphones and tablets are expected to exhibit CAGR as high as 20% in the coming five years. At
As electronics touches every aspect of our life, it’s a sector that sees the most potential for innovation and growth. To capitalize on the fast-growing demand of electronics in the Asia-Pacific region and China in particular, Hong Kong Science Park is your indispensable partner.

**Electronics Market**

US$1,224.8 Billion

**Smart home devices, smartphones and tablets**

20% Coming Five Years

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2 Ibid

01 STRONG GOVERNMENT POLICIES IN HONG KONG

The best place to set up your business is where the government is stable, credible and supportive. Hong Kong is one of your top choices.
Funding support
The government is committed to long-term plans that foster innovation and technology in Hong Kong. By January 2015, its Innovation and Technology Fund (ITF) has provided about HK$8.9 billion for more than 4,200 projects. Diverse R&D funding schemes are available to tech companies, such as R&D Cash Rebate Scheme, Enterprise Support Scheme, Innovation & Technology Support Programme, General Support Programme for Patent Application Grant, and University Industry Collaboration Programme. For more details, please visit www.itf.gov.hk.

Intellectual property rights
Protection of intellectual property is the basis for creativity and innovation to flourish. Hong Kong has well-established intellectual property laws that are stringently enforced. According to The Global Competitiveness Report 2014-2015, Hong Kong ranks number 10 for its intellectual property laws and protection. Trademarks, copyrights, patents, design patents, and domain names are all protected by the laws. For electronics enterprises, the Park’s Intellectual Property (IP) Servicing Centre offers services such as licensing, hardening, and integration at the prototyping stage of circuit development.

Tax
The tax system is simple with low tax rate. Profits made in Hong Kong are taxed 16.5%. There is no VAT, no withholding tax, nor tax on capital gain, dividends or transfer of estate.

CEPA
Hong Kong and mainland China signed a free trade agreement known as Closer Economic Partnership Arrangement (CEPA) under which electronic products of Hong Kong origin can be exported to China with zero tariff. It’s the perfect springboard for foreign investors to tap into business potential in the mainland.

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Cutting-edge R&D endeavours entail top-notch technologies. Yet, not many companies, especially start-ups, have the financial leeway to acquire state-of-the-art equipment. Hong Kong Science Park provides one of the best research environments both in and out of the park. Just around the corner from your office, Probe and Test Development Centre runs tests on system-on-chip (SoC), analogue, mixed signal, radio frequency, and digital products. Reliability Laboratory offers device qualification support, electronic product environmental qualification tests and stress tests. IC Failure Analysis Laboratory features high-precision silicon level analysis equipment to locate and identify circuit failures. Rapid Prototyping Laboratory delivers fast turnaround 3D printing and sample prototyping. 3D SiP Laboratory is appointed with the latest equipment for testing and designing 3D system-in-package (SiP) IC. All labs are available to tenants on time-share basis.

Hong Kong Science Park is also a strategic partner with local universities and other science parks in Guangdong province. Tenants are granted access to state-approved labs and technical resources.
03 STRATEGIC GEOGRAPHICAL LOCATION

A regional electronics centre at the heart of Asia, Hong Kong is the ideal test bed and launching pad for electronic products, applications and services. With its complete and effective supply chain, you can have your products manufactured at competitive cost and get them out in the market quickly to stay ahead of the game. Only a two-hour drive away, Pearl River Delta, China is home to a number of high-tech manufacturers. Most major cities in Asia (such as Beijing, Shanghai, Seoul, Tokyo, Bangkok, Kuala Lumpur, Singapore and Taipei) can be reached within four hours of direct flight from Hong Kong, making it the perfect regional base for your business.

Hong Kong Science Park is also a strategic partner of Shenzhen High Tech Industrial Park and Guangzhou Development District, opening up unlimited possibilities of collaborations and partnerships.

04 PROFESSIONAL TALENT POOL

Education is a long-term investment and Hong Kong is committed to nurturing talents in R&D sectors. In 2016, around 34,000 university graduates major in science, engineering and technology disciplines will join the workforce. With the current immigration scheme, tech enterprises also have access to the huge talent pool in mainland China and Southeast Asia.

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Hong Kong Science Park’s 22-hectare waterfront site totals 330,000 sq m of floor space with offices, laboratories, conference and exhibition venues. A variety of R&D office units are available for enterprises of varying sizes, ranging from SME plug-and-play offices to build-to-suit premises for larger operations. Lab spaces and facilities can be tailor-made according to your specific research needs.
The electronics community at Hong Kong Science Park comprises 80 enterprises specializing in semiconductors, electronic components, electronic systems, embedded systems, electronic design and testing. From resources such as land, labour, finance and funding, via cluster synergy and networking for collaborative opportunities, to product testing, commercialisation and marketing, Hong Kong Science Park has everything you need under one roof.

Networking events and study tours hosted by the Park are highly popular among investors, academics and government officials. Seminars and conferences, such as the annual APAC Innovation Summit, are eagerly anticipated by the global tech community. The Park also helps partner companies showcase their new products and services in international trade shows (such as CES). These are all vital opportunities for tenants and incubatees to touch base with like-minded potential partners and collaborators.

Incu-Tech
A 3-year incubation programme for tech start-ups, Incu-Tech incubatees enjoy rent subsidy on working space in the Technology Incubation Centre at the Park. Various business and technology supporting services are available.

LEAP
The Leading Enterprises Acceleration Programme (LEAP) is the initiative that provides in-depth assistance on business development and corporate development to selected incubatees and graduates of HKSTP Incubation Programmes as well as selected current talents of the Park for them to grow into regional or global enterprises. Business and investment matching, professional panel and mentoring services are also available for selected companies to prepare them for eventual IPO or M&A.
HKSTP Venture Capital Partnership Programme

HKSTP has its own Venture Capital Partnership Programme for selected tenants to connect with globally renowned venture capital firms, as funding alternatives other than raising capital in public markets or bank loan. For more details, please visit www.hkstp.org.

Corporate Venture Fund

The Corporate Venture Fund (CVF) is an initiative of HKSTP to fill the funding gap faced by local tech start-ups in the early stage by co-investing along with private investors into the equity of selected high-potential start-ups. For more details please contact the CVF Team at CVF@hkstp.org.

Soft Landing Centre

Setting up a full-fledged tech enterprise in Hong Kong without any funding and financial assistance could be difficult. What if there’s a way to test the water before setting up an operation in full swing? The Soft Landing Centre provides low-cost entry-level office facilities for those interested in making the first contact with investors, manufacturers and potential clients in Hong Kong, mainland China and other Asian markets. Office cubicles with reception service, Wi-fi access, shared conference room and basic office support are available for as little as HK$500 per week. The fee also covers business matching service, fundraising support, professional service referral, business plan consultancy and access to talent pool recruitment platform.

There is an admission and screening process for both Incubation Programme and Soft Landing Centre. For more details, visit www.hkstp.org.