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Ms Connie Szeto  
Clerk to Panel on Commerce and Industry  
Legislative Council  
c/o Legislative Council Secretariat  
3/F Citibank Tower  
3 Garden Road  
Hong Kong  
[Fax No.: 2869 6794]

Dear Ms Szeto,

**Integrated circuit development support centre**

At the Panel meeting on 12 May, the Hon Ma Fung-kwok enquired about the three-year business plan of the integrated circuit development support centre proposed by the Hong Kong Science and Technology Parks Corporation (HKSTPC).

HKSTPC's business plan at this stage is set out in Annex. The Corporation will further refine the business plan as necessary and when the centre is established.

Yours sincerely,

( Tony Lam )  
for Commissioner for Innovation and  
Technology

For Information

**Legislative Council Panel on Commerce and Industry**

**Supplementary Information on  
Development of Integrated Circuit Design**

**INTRODUCTION**

Members considered paper CB(1)1608/02-03(04) on the development of integrated circuit design at the Panel meeting held on 12 May 2003. Upon request at the meeting, the Administration undertook to provide information on the three-year business plan of the integrated circuit (IC) development support centre proposed by the Hong Kong Science and Technology Parks Corporation (HKSTPC).

**BUSINESS PLAN**

Function

2. The proposed IC development support centre will be located at the Hong Kong Science Park in Pak Shek Kok. It will be equipped with advanced equipment to provide shared support facilities and services for IC development, including probe and test development, reliability testing, IC product analysis and multi-project wafer shuttle services. Coupled with the IC design support facilities which HKSTPC has been developing (with computer-aided design tools, software and supporting staff), the IC development support centre will be able to provide a one-stop service to IC design companies from design stage to production release.

### Target Customers

3. Potential clients of the proposed centre are tenants of Science Park, HKSTPC's incubates, IC design companies based in Hong Kong and other strategic partners of HKSTPC. HKSTPC plans to work with, among others, industrial support organizations and universities to promote the centre through various seminars and workshops. It also plans to publish marketing brochure and invite potential tenants for on-site visits to the centre to attract interested companies, local or overseas, to set up in Science Park.

### Revenue model

4. The centre is expected to generate income, mainly from charging time-based fees for the use of its services and facilities (such as probe and test development services, reliability and product analysis services and multi-project wafer shuttle services). The charging rate will be dependent on the type of services and facilities used. Exact charging level will be determined by the HKSTPC later. In its first year of operation, the HKSTPC expects that the centre will generate an income of \$3,440,000. It also expects that the number of users and the utilization rate of the centre will increase over time to the extent that the centre is expected to become self-financing from the fourth year of operation.

### Cost of the centre

5. The HKSTPC will provide the centre with the necessary technical support and services, including training and hardware maintenance. It will also absorb the staff cost beyond the initial year of operation. The Innovation and Technology Fund (ITF) will be responsible for the start-up cost and operating cost for the first year of operation. A grant of \$57,859,000 under the ITF was requested by the HKSTPC to cover the staff cost for first year of operation, equipment and other direct costs.

6. The Legislative Council Finance Committee approved at its meeting held on 13 June 2003 the funding request of \$57,859,000 for the project.

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