

**立法會**  
**Legislative Council**

LC Paper No. CB(1)201/08-09(07)

Ref : CB1/PL/CI

**Panel on Commerce and Industry**

**Meeting on 18 November 2008**

**Background Brief on the establishment and operation of the Digital  
Entertainment Incubation-cum-Training Centre at the Cyberport**

**Purpose**

This paper gives the background to the establishment and operation of the Digital Entertainment Incubation-cum-Training Centre (IncuTrain Centre) at the Cyberport and also a summary of views and concerns expressed by Members on the subject.

**Background**

2. In its report on the implementation of new strategy framework for innovation and technology development submitted to the Panel on Commerce and Industry in May 2005, the Administration considered that digital entertainment was a relatively new and evolving industry with huge market potential. To pursue the focus theme of digital entertainment under the Innovation and Technology Fund (ITF)<sup>1</sup>, the Administration recommended the setting up of the establishment of the IncuTrain Centre at the Cyberport, as proposed by the Hong Kong Cyberport Management Company Limited (HKCMCL). This would help cultivating an environment for start-ups, and training more professionals in the digital entertainment industry. Following consultation with the Panel, the Administration submitted a funding proposal seeking an allocation of \$30.77 million from the ITF for the establishment and the operation of the IncuTrain Centre for a period of 40 months. The proposal was approved by the Finance Committee (FC) on 24 June 2005.

---

<sup>1</sup> The ITF was set up as a statutory fund under the Public Finance Ordinance (Cap. 2) by resolution of the Legislative Council on 30 June 1999. On 9 July 1999, the FC approved the proposed injection of HK\$5 billion into ITF which came into operation on 1 November 1999. The ITF is currently administered by Innovation and Technology Commission and comprises four programmes, namely the Innovation and Technology Support Programme, University-Industry Collaboration Programme, General Support Programme and Small Entrepreneur Research Assistance Programme.

3. The IncuTrain Centre, which is managed by the HKCMCL, aims to nurture up to 45 local companies to develop digital entertainment products and services, with initial focus on game development. Companies admitted to the IncuTrain Programme for up to two years will be provided with rent-free office space, equipment and advanced digital media production facilities at favorable terms, and other support in business development, promotion & marketing, partnership matching, and technology and entrepreneurship training at subsidized rate. The aim is to enhance the incubatees' capability in developing digital entertainment products and services.

4. Since its establishment on 9 December 2005, the IncuTrain Centre has been set up as a unit under Cyberport, governed by an Advisory Committee consisting of non-executive and executive directors drawn from the academia, commercial sector and the Government. The Advisory Committee provides advice and mentorship to incubatees, reviews performance and steers the overall direction of the IncuTrain Centre. A vetting committee has also been formed to evaluate incubation applications, select incubatees, and set initial checkpoints and milestones for each incubation applicant.

5. As of end October 2008, the total expenditure incurred under the IncuTrain Programme was \$27.5 million.

### **Discussion at the Panel on Commerce and Industry**

6. The Panel discussed the first progress report of the operation of the IncuTrain Centre on 18 July 2006. Members considered that the IncuTrain Centre should make the most effective use of its resources and work jointly with other local vocational and continuing education institutions in providing training of a wide variety in the information technology field, including workshops/seminars/attachment programmes for young local talents who were not able to benefit from the mainstream tertiary education. This could provide the course participants exposure to practical industry knowledge on digital entertainment and help develop young people who had an interest in pursuing a career in the relevant fields at an early stage. In this connection, Members suggested that seminars/workshops and other training activities organized by the IncuTrain Centre should be video-taped for use in subsequent training programmes.

7. Members envisaged that it might be difficult for FC to approve further direct funding from the ITF to finance the operation of the IncuTrain Centre, as the Centre was expected to generate income sufficient to finance its operation costs after a period of 40 months. Members considered that if additional funding was required to provide continued support for the incubatee companies, other funding alternatives should be examined. While undertaking to convey members' views to the Advisory Committee, the Administration advised that requests might be made to the Board of Directors of the HKCMCL for subsidy to sustain the operation of the IncuTrain Centre where considered necessary.

### **Latest position**

8. The Administration will update members on the operation of the IncuTrain Centre and the IncuTrain Programme at the Panel meeting to be held on 18 November 2008.

### **References**

9. A list of relevant papers is in the **Appendix**.

Council Business Division 1  
Legislative Council Secretariat  
12 November 2008

## List of relevant papers

| Committee                                    | Paper   | LC Paper No.   |
|--|---|--|
| Meeting of CI Panel on 17 May 2005           | <ul style="list-style-type: none"> <li>✧ Administration's paper : "Implementation of New Strategic Framework for Innovation and Technology Development"</li> <li>✧ Background brief on new strategic framework for innovation and technology development</li> <li>✧ Minutes of meeting</li> </ul>   | <p>CB(1)1496/04-05(03)</p> <p>CB(1)1497/04-05</p> <p>CB(1)1794/04-05</p> |
| Meeting of Finance Committee on 24 June 2005 | <ul style="list-style-type: none"> <li>✧ Administration's paper :<br/>           INNOVATION AND TECHNOLOGY FUND<br/>           HEAD 111 - INNOVATION AND TECHNOLOGY<br/>           New Subhead "Establishment of Research and Development Centre for Nanotechnology and Advanced Materials"<br/>           New Subhead "Establishment of Research and Development Centre for Textile and Clothing"<br/>           New Subhead "Establishment of Research and Development Centre for Automotive Parts and Accessory Systems"<br/>           New Subhead "Establishment of Research and Development Centre for Logistics and Supply Chain Management Enabling Technologies"<br/>           New Subhead "Establishment of an Incubation-cum-Training Centre to support Digital Entertainment Development by the Hong Kong Cyberport Management Company Limited"<br/>           New Subhead "Development of technologies and facilities to design and build mechanical watch movements by the Chinese University of Hong Kong"</li> </ul> | FCR(2005-06)21   |

| <b>Committee</b>                    | <b>Paper</b>  | <b>LC Paper No.</b>                        |
|-------------------------------------|---|--|
|                                     | ✧ Minutes of meeting  | FC125/04-05                                |
| Meeting of CI Panel on 18 July 2006 | ✧ Administration's paper : "The Digital Entertainment Incubation-cum-Training Centre"<br><br>✧ Minutes of meeting | CB(1)1976/05-06(03)<br><br>CB(1)2179/05-06 |

Council Business Division 1  
Legislative Council Secretariat  
 12 November 2008