

HTIC

HIGH TECHNOLOGY INNOVATION CORPORATION

ANNUAL REPORT 2006



building bridges for innovation

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HTIC PROFILE

In 2005, the Hawaii State Legislature created the High Technology Innovation Corporation (HTIC). The purpose of the High Technology Innovation Corporation is to facilitate the growth and development of the commercial high technology in Hawaii.

Its duties include, but are not limited to:

- Managing the assets and resources of the High Technology Development Corporation, including its technology parks and incubation facilities;
- Planning, creating, and implementing any programs and projects of the High Technology Development Corporation that shall be assigned to the High Technology Innovation Corporation, including federally- and state-funded programs and projects and those programs funded by other nonprofit and for-profit organizations;
- Identifying and obtaining funding and other resources in support of the purposes of the High Technology Innovation Corporation and the High Technology Development Corporation from agencies and organizations not able to provide resources directly to the High Technology Development Corporation;
- Assisting the High Technology Development Corporation in the promotion and marketing of Hawaii as a location for commercial high technology activity; and
- Assisting the High Technology Development Corporation in any other strategic or operational manner that supports the State's technology-based economic development activities.

(HRS Ch. 206M-51)

HTIC BOARD OF DIRECTORS & OFFICERS

Chair

SHARON M. WONG (Ex-Officio for HTDC)
President
IMS, Inc.

Vice Chair

BRIAN J. GOLDSTEIN (Ex-Officio for HTDC)
Chief Executive Officer
Kona Bay Marine Resources, Inc.

Secretary-Treasurer

JAMES D. LACLAIR (Ex-Officio for HTDC)
Vice President – Network Operations
Hawaiian Telcom

THEODORE LIU (Ex-Officio for HTDC)
Director

Department Of Business, Economic Development & Tourism
State of Hawaii

YUKA NAGASHIMA (Ex-Officio for HTDC)
Executive Director and CEO
High Technology Development Corporation

Officers

President (HTDC Executive Director by statute)
YUKA NAGASHIMA

A MESSAGE FROM THE CHAIR & PRESIDENT



Sharon Wong
Chair



Yuka Nagashima
President

Welcome to High Technology Innovation Corporation's first annual report. In October 2005, HTIC was incorporated as a nonprofit organization attached to the Department of Business and Economic Development and Tourism for administrative purposes. The legislators and HTDC's previous Executive Director, Dr. Philip Bossert, believed that HTIC's nonprofit status could assist the High Technology Development Corporation (HTDC) in a more advantageous and appropriate way to fulfill its mission to facilitate the development of the commercial high technology industry in the State.

HTIC's first project was to establish a bidirectional partnership with China: for Hawaii companies to locate outsourcing partners or to enter the China market and for Chinese companies and other entities to consider Hawaii as their gateway to the U.S. market. Through networks nurtured by Dr. Bossert, HTIC entered into negotiations with the Zhongguancun International Incubator in Beijing that resulted in a reciprocal arrangement with the Manoa Innovation Center to give each other a footprint in respective cities to perform economic development tasks. The arrangement offers a starter space for companies interested in exploring the respective markets.

Our year-to-date accomplishments include:

- Incorporation of the nonprofit entity;
- Negotiating and signing of the lease for our representative office in Beijing at the Zhongguancun International Incubator building; and
- The successful appropriation of the International Incubator Fund to HTDC (Act 255 of Hawaii's 2006 Legislative Session, for the sum of \$400,000; pending its release as of early January 2007), which will fund HTIC's current and future projects.

Establishing markets and fostering partnerships are both essential for Hawaii's future. We must embrace globalization of the economic landscape for it is not sufficient in today's international marketplace for us to look to just one country or city.

In the coming year, we look forward to:

- 1) Forming a comprehensive business strategy to best utilize the relationships HTDC has already established in Beijing,
- 2) Identifying which Asian markets and/or partnerships can best address the needs of Hawaii companies, and
- 3) Promoting Hawaii to Asian companies.

We have several challenges, both logistic and strategic, from populating our board seats and receiving the appropriated funding to understanding each culture's way of doing business and exploring ways we can minimize risks for our companies to seek opportunities abroad.

With the alignment of our community's resources and the support of both Governor Lingle and Hawaii's legislators, we look forward to conquering these challenges in 2007.

SHARON WONG, *Chair*

YUKA NAGASHIMA, *President*

FINANCIAL INFORMATION

Revenue

ZII representative office project	\$ 30,000
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Expenditure

ZII representative office rent deposit	\$ 2,516
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Excess of Revenues over Expenditures	\$ 27,484
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NOTES TO FINANCIAL INFORMATION

The ZII representative office project is the first agreement to be entered into between the High Technology Development Corporation (HTDC), an attached agency of the Department of Business, Economic Development and Tourism and HTIC. The revenue is to fund start-up expenses of the project. The total commitment from HTDC is \$50,000. An appropriation to fund the ongoing operational expenses of the representative office for the next two years was approved by the State Legislature in 2006.

HTIC

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