

(Unclassified version with commercially sensitive or confidential information and Members' names removed)

BDC 16/2012

**Minutes of the 48th Meeting of the
Business Development Committee held at 2:30p.m.
on Tuesday, 3 July 2012 in the Boardroom,
2nd floor, HKPC Building, 78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

Present : Chairman - Mr. Clement Chen Cheng-jen, BBS, JP
Members - Dr. Cliff Chan Chok-ki
Ir Daniel Cheng Man-chung, MH, JP
Mr. Jimmy Kwok Chun-wah, MH, JP
Mr. Tony Lam (representing Mrs. Agnes Mak)
Dr. Delman Lee
Mrs. Katherine Ngan Ng Yu-ying, JP
Mr. Johann Wong
Mr. Jack Yeung Chung-kit

In attendance from ITC: Mr. Ting Lup-wong

In attendance from HKPC:

Mr. Joseph Poon	Director, Technology Development
Mr. Jonathan Ho	General Manager, Corporate Communications
Mr. Alfonso Tam	Chief Manager, Council Secretariat
Ms. Miranda Yeap	Senior Manager, Council Secretariat

Welcome

The Chairman welcomed Mr. Johann Wong, Deputy Commissioner for Innovation and Technology who attended the meeting for the first time.

Confirmation of Minutes (BDC 8/2012 Revised)

The Revised Minutes of the 47th Meeting held on 13 March 2012 had been circulated to Members and there were no further requests for amendments. The Minutes were taken as read, confirmed and signed by the Chairman.

I. Matters Arising

1. Invited by the Chairman, reported that Members endorsed at the last meeting for the Council's approval the updated HKPC Services Audit Statement which included the planned exit of 5 services in 2012/13. In response to Members' request for more information on the reason for exit and the financial implications of the planned exit, paper BDC 7/2012 was circulated to Members on 23 March 2012 to provide the relevant information and there were no further comments from Members.

II. Three-year Strategic Plan of HKPC for 2013/14 - 2015/16 (BDC 10/2012)

3. Invited by the Chairman to report, said that at the 113th Council meeting held on 30 March 2010, the Council had agreed that HKPC should submit a three-year strategic plan annually to Council before it considered the three-year Forecast for the same period. The initiatives of a three-year strategic plan would then be translated into concrete initiatives in the subsequent Programme and Estimates exercise subject to availability of resources.

4. informed the meeting that the Management had revisited the existing strategic plan of HKPC endorsed by the Council on 26 July 2011 anchored on the four-pronged strategy of scaling up platforms, creating value for SMEs, sharpening core competencies and developing strategic partnership, and substantiated with a new Vision, Mission and Values. Taking into account the macro environment and market situation, the Management considered that the Strategy was still valid. In this connection, the Strategy had been enhanced with appropriate business initiatives for the respective strategies in line with the macro environment and government policies to form an updated HKPC Three year Strategic Plan 2013/14 -2015/16 at Annex of the paper.

5. In a related context, said the Mainland presented major business opportunities for HKPC and informed Members that , , expressed in a recent visit to HKPC wish to establish industry-specific productivity centres in different localities and cooperate with HKPC to strengthen

the provision of consultancy services in the Pearl River Delta provinces.

responded that HKPC would follow up on this in the context of our Mainland development strategy. also added that the secondment of experienced HKPC staff to WFOEs with effect from May 2012 would help to further improve on service provision.

6. On the development of new business models, Members agreed that HKPC should consider exploring internally how to enhance services to cater for clients' additional service needs within the existing framework, e.g. make use of HKPC's existing contacts and information chain to facilitate multi-sector networking by industry. said that a comprehensive fee-charging database with contact information and company specific data would be useful for business development especially for SMEs, and government funding support should be gainfully explored to sustain the database. On the commercialization of technology, suggested that the threshold should be low enough to attract commercialization partners to fully explore and exploit the commercial potential of technologies on a royalty sharing basis rather than charging a hefty one-off license fee. said that the royalty arrangement was indeed being pursued, whenever applicable. At the same time, payment of a license fee at what the market could afford through open invitation of expression of interest would also ensure that we were attracting capable, responsible and diligent commercialization partners.

7. Members endorsed the updated Three-year Strategic Plan 2013/14 to 2015/16 for the Finance Committee and the Council's approval.

III. Report on HKPC's Mainland Subsidiaries (WFOEs and JVs) (BDC 11/2012)

8. Invited by the Chairman to report, briefed the meeting on the latest development for the period from 1 October 2011 to 30 April 2012 of the three Wholly Foreign Owned Enterprises (WFOEs), Shenzhen SZ-HK Productivity Foundation Co., Ltd. (SZJV) and Chongqing-Hong Kong Productivity Promotion Centre Co. Ltd. (CQJV) as well as their way forward.

9. In gist, WFOEs would continue to focus their services to support the following three business strategies:

- (a) Integrated Transformation and Innovation;
- (b) Low Carbon and Environmental Protection; and
- (c) Achieving International and National Benchmark.

The secondment of experienced HKPC staff to WFOEs with effect from May 2012 would also help to enhance corporate governance and facilitate the

implementation of the “Centre of Excellence” concept in different WFOEs.

10. With regard to the Shenzhen SZ-HK Productivity Foundation Co., Ltd. (SZJV), said that the training programmes in Mainland would be centralized under the Shenzhen Training Institute.

11. On the Chongqing side, said that, in collaboration with Chongqing Science and Technology Commission, HKPC took the lead to invite 5 R&D centres, Science Park, Universities and four technology companies to join the Chongqing-Hong Kong Technology Collaboration study Mission in April 2012. 5 MOUs were signed during the mission. There were also further discussion on the setting up of branch centres of the Chongqing Magnesium Alloy Laboratory, a national level establishment, in Hong Kong for technology transfer and business matching.

12. said that the TURN programme should be closely monitored and gainfully exploited to engage enterprise interest for in-depth assessment and consultancy to provide substantive assistance to their business development.

assured the meeting that expert teams were formed to provide concrete advice subsequent to initial assessments.

said that the new Director of Business Innovation should come up with a comprehensive business model for WFOEs’ service delivery to provide HKPC’s services in the PRD for BDC’s consideration.

13. The meeting noted the progress update and the way forward for WFOEs, SZJV and CQJV.

IV. Report on Commercial Research and Development (CRD) (BDC 12/2012)

14. Invited by the Chairman to report, briefly mentioned the background of the Corporate Commercial Research and Development (CRD) Fund. reported that up to 18 May 2012, there were 33 completed CRD projects. Under the current standard practice of CRD, projects supported by the Corporate CRD fund were required to repay 10% of the net income of the client projects generated.

15. reported that as at 18 May 2012, 9 projects were in progress and were expected to complete within the year of 2013. HKPC was in the process of promoting and marketing for the commercialization of the deliverables of 13

completed CRD projects via media interviews, seminars, visits and training workshops.

16. Members noted the report.

V. Report on Projects for Government Funding Schemes (February– May 2012) (BDC 13/2012 Revised)

17. Invited by the Chairman to report, _____ reported that during the period of February to May 2012, HKPC was involved in 12 approved government funded projects, including projects funded by the Innovation and Technology Fund (ITF), SME Development Fund (SDF), Professional Services Development Assistance Scheme (PSDAS), CreateSmart Initiative (CSI) and the Environment and Conservation Fund (ECF).

VI. Interim Performance Review of Completed ITF Projects (BDC 14/2012)

18. Members noted the interim performance review of the following ITF projects which was completed within budget, namely:

“Development of a Liquid Silicone Rubber (LSR) Injection Moulding Machine and Over-moulding System for Manufacturing Health Care and Medical Products”

VII. Final Performance Review of Completed ITF Projects (BDC 15/2012)

19. Members noted the final performance review of 3 ITF projects, namely:

- (a) Pedestrian Warning and Protection System;
- (b) Development of Advanced Composite Pellets and a Novel Supercritical Fluid Extraction Process for Micro-Powder Injection Moulding Technology; and
- (c) Development of a Novel Electrolytic Ozone Spray Process to Achieve Aged-look Effect for Denim Wear.

VIII. Any Other Business

(A) Appointment of Mentors for ITF Projects

20. Members approved the appointment of the following mentors:

- (a) Mr. Jimmy Kwok to be the mentor for the new ITF project “Deterministic 4–axes Freeform Ultra-precision Automatic Polishing Technology Development”;
- (b) Mr. Jack Yeung to be the mentor for the new ITF project “Development of an Intelligent Mould (i-mould) Manufacturing System”; and
- (c) Ir Daniel Cheng to be the mentor for the new ITF project “Developing Hong Kong into an International Testing Certification and Trading Centre for Chinese Medicine by Establishing a Product Certification Scheme for Chinese Materia Medica in Compliance with the ISO Guide 67”.

(B) Attendance Record of BDC Members

21. Members noted the attendance record in 2012 tabled at the meeting.

IX. Date of Next Meeting

22. It was agreed that the date of the next meeting was scheduled for 13 November 2012 at 2:30pm.

23. There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned at 4:35pm.