

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

BDC 8/2012 (Revised)

**Revised Minutes of the 47th Meeting of the
Business Development Committee held at 11:30a.m.
on Tuesday, 13 March 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 - Mr. Davey Chung
Mr. Jimmy Kwok Chun-wah, MH, JP
Dr. Delman Lee
Mrs. Agnes Mak, MH, JP
Mrs. Katherine Ngan Ng Yu-ying, JP
Mr. Jack Yeung Chung-kit

Absent with Apologies : Dr. Cliff Chan Chok-ki
Ir Daniel Cheng Man-chung, MH, JP

In attendance from HKPC :

Mr. Tony Lam	Director, Corporate Services
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 Dr. Delman Lee who attended the meeting for the first time.

Vote of Appreciation

The Chairman suggested, and Members agreed, to record a vote of appreciation to Mr. Lo Foo-cheung for his contribution during his tenure as Member.

Confirmation of Minutes (BDC 21/2011 Revised)

The Revised Minutes of the 46th Meeting held on 1 November 2011 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. Review of HKPC Services Audit Statement (BDC 2/2012)

1. Invited by the Chairman to report, _____ said that HKPC has adopted its first Services Audit Statement, in replacement of the “Dos and Don’ts List”, in March 2010. The statement set out the mission of HKPC, the focus of HKPC’s work in accomplishing its mission, the parameters guiding service delivery and an exit programme for the next three years. The Council had also agreed that the statement should be reviewed by the BDC annually for updating to reflect the prevailing market circumstances and to provide a continuous process of review and implementation of HKPC’s services.

2. The Statement had been reviewed and updated last year. Whilst finding the Statement generally in order, the Management, for the purpose of reflecting the updated four-pronged strategy approved by the Council in August 2011, recommended including the following Vision, Mission and Values as additional guidelines for HKPC’s delivery of services:

Vision: Be your Most preferred Productivity Partner

Mission: Promote productivity excellence for industry to enhance competitiveness and sustainability

Values: 4Is and 4Ps – Integrity, Integration, Innovation, Impartiality, People, Passion, Professionalism, Partnership

3. With regard to the exit of services, _____ said that while five services were planned for exit in 2012/13, no services were planned for exit for 2013/14 and 2014/15 for the time being.

4. In response to _____ enquiry on whether there would be any plan to transfer the related technologies to the industry upon exit of services, _____ replied that the market would normally be mature enough to provide the service/technology in question by the time HKPC exited from such service or the market did not need the service/technology in question at all. If the market was mature, we would refer the clients seeking such service to the other service

providers. As regards the related equipment/hardware, they would be disposed by tender after service exit.

6. Members endorsed the updated Services Audit Statement for the Council's approval.

II. New Business Initiatives (BDC 3/2012)

7. Invited by the Chairman, introduced the paper and informed Members that the HKPC Management, in the process of drawing up new business initiatives, had taken into account the macro external factors including the business threats and opportunities as well as the relevant banners of the 12.5 National Plan. HKPC had already embarked on some business initiatives which aligned with the directions of the 12.5 National Plan, e.g. water pollution control and wastewater treatment, energy reduction and environmental protection, new energy vehicles, advanced technology research, etc. In addition, three new business initiatives, namely the Branding, Upgrading and Domestic Sales (BUD) Programme, SME One-stop Advisory Centre, and CarbonSmart had been identified.

8. continued to elaborate on the details of the three new business initiatives. The BUD programme was a 5 to 7.5 year programme proposal which HKPC had submitted in response to the Government's funding initiative of \$1 billion to support HK companies to capture the opportunities related to the National 12th Five Year Plan. The programme consisted of two portions, i.e. about \$0.5 billion for applications from individual enterprises and about \$0.5 billion for applications from trade associations. HKPC would be the secretariat for the part related to individual enterprises, providing secretariat service to the Programme Management Committee. If the clients chose HKPC as an implementation agent, HKPC would also act as a service provider for project implementation under the BUD programme.

9. The SME One-stop Advisory Centre was HKPC's \$2M initiative to proactively deliver its mission to support SMEs. A One-stop advisory centre would be set up on G/F of the HKPC Building to provide free initial advice to SMEs in finance/funding, technology and business aspects. For in-depth follow up professional services, they would be charged. The Government had agreed to provide briefings and key contacts of individual government funding schemes to

HKPC to facilitate the dissemination and clarification of information. The centre would also provide market intelligence of emerging markets with the use of business analytic, coupled with the launching of signature showcase of SME Cloud Experience, SME Business Sentiment Index and a HKPC SME project EXPO. HKPC planned to take forward this initiative via seeking sponsorship from vendors of related partnership programmes and the target opening of the SME One was scheduled on 17 July 2012.

10. CarbonSmart was a HKPC's proposal to the Environment and Conservation Fund (ECF) to launch a campaign from 2012 to mid 2014 to raise the awareness of enterprises to the benefits of energy efficiency through seminars, technical workshops and CarbonSmart showcases in selected business sectors, e.g. food and beverage, office building, retail, etc in Hong Kong. HKPC was the applicant organization while FHKI, HKGCC and BEC were co-organizers of the campaign. Pilot carbon audits for 200 companies would be conducted under the programme with public funding support on a matching basis capped at \$30,000 for each company and successful demonstration cases would be facilitated for experience sharing with fellow members of the community. The ECF had approved this project for about \$10M for launching on 21 March 2012 and a Project Management Committee comprising of members of trade associations, Government or academic institutes, would be established to provide advice on the direction and implementation quality of the campaign.

11. Members welcomed the initiatives aforementioned. With regard to the BUD Programme, _____ said that _____ noted enthusiastic response from SMEs during the seminars for FHKI in relation to the wide ambit of the BUD programme. In response to _____ enquiry on whether HKPC would be able to handle the sudden influx of BUD applications at the outset whilst maintaining neutrality in the role of delivering consultancy, _____ said that the BUD Secretariat, instead of reporting to a business division in HKPC, would directly report to the Director of Corporate Services to create a firewall effect and any consulting services delivered by a business division in relation to the BUD programme would operate independently from the BUD Secretariat. The funding provided by the Government for HKPC's secretariat service also included funding for employing staff. _____ said that HKPC should publicize that HKPC was not competing with the industry on the BUD programme and that HKPC being a reliable and neutral partner would facilitate the SMEs to liaise with the Mainland authorities.

12. In response to _____ enquiry on whether an enterprise could benefit from both the BUD programme and a Mainland funding scheme, _____ said

that provided that they were not the same project and that there would be solid deliverables and achievements, there would not be any problem as the funding source was different.

13. With regard to the SME One-stop Advisory Centre, said that there should be a good publicity network to ensure that SMEs were aware of the Centre via their contacts with the trade associations and the industry associations. From an IT perspective, the website of major trade and industry associations should contain a hyperlink of the SME One for reference.

14. Members endorsed the new business initiatives for submission to the Council at the upcoming meeting on 27 March 2012.

III. Report on Projects for Government Funding Schemes (April 2011–January 2012) (BDC 4/2012)

15. Invited by the Chairman to report, reported that during the period of April 2011 to January 2012, HKPC was involved in 30 government funded projects, including projects funded by the Innovation and Technology Fund (ITF), SME Development Fund, Professional Services Development Assistance Scheme (PSDAS), Sustainable Development Fund, the Beat Drugs Fund and the Hong Kong Council for Testing and Certification. The total funding approved amounted to \$40.1M.

16. said that there was an internal vetting system to consider in detail the project proposal to ensure they addressed industry and policy needs as well as the criteria of the respective funding schemes. said that it was good to learn that the success rate improved as a result of better preparation and the hard work of HKPC staff. In response to query over the success rate of the ITF applications, said that HKPC's proposals, focused as they were on technology transfer and applied research for industry application, might not be readily appreciated for their real merits by those Vetting Committee members whose backgrounds were more akin to basic research. Representation by more industrialists on the Vetting Committees should be considered by ITC. In response, said that the commercialization potential of proposals had been given greater emphasis under the New Assessment Framework introduced in March 2010. HKPC could review the feedback on unsuccessful applications and modify the proposals as fit for a re-submission to future round of application.

17. Members noted the report.

IV. Interim Performance Review of Completed ITF Projects (BDC 5/2012)

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

- (a) Innovative Development of Local Technology and Capability in Design and Manufacture of Aircraft Cabin Seat Assembly;
- (b) Development of Lab-dip System for CO2 Waterless Dyeing; and
- (c) Development of a Vacuum Assisted Low Injection Speed High Pressure Casting Technology for Magnesium Vehicle Wheels.

19. Members noted the paper.

V. Final Performance Review of Completed ITF Projects (BDC 6/2012)

20. Members noted the final performance review of six ITF projects, namely:

- (a) Development of Low Cost High Precision Multi-axes CNC Machining System to Enhance the Production Quality of Watch and Eyewear Critical Components;
- (b) Infotainment System for Mass Transportation Vehicles;
- (c) Development of Integrated Lane Assist System;
- (d) Development of Advanced Collision Avoidance System;
- (e) Scalable AUTOSAR Integrated Automotive Body Electronics Controller; and
- (f) To Develop a Versatile Hydraulic Control Unit (HCU) for an Integrated Chassis Electronic Stability Control (ESC) System.

21. Members noted the paper.

VI. Any Other Business

(A) Appointment of Mentors for ITF Projects

22. Members approved the appointment of the following mentors:

- (a) Mr. Jack Yeung to replace outgoing Member Mr. Lo Foo-Cheung as mentor for the ongoing ITF project “Development of a Liquid Silicone Rubber (LSR) Injection Moulding Machine and Over-moulding System for Manufacturing Health care and Medical Products”; and
- (b) Mr. Jimmy Kwok to be the mentor for the new ITF project “Establishment of a Watch Movement, Components and Subassemblies Testing Laboratory”.

(B) Attendance Record of BDC Members

23. Members noted the attendance record in 2011 tabled at the meeting. The Chairman encouraged Members to attend future meetings.

VII. Date of Next Meeting

24. It was agreed that the date of the next meeting was scheduled for 3 July 2012 at 2:30pm.

25. There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned at 1:00pm.