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and Members' names removed)**

**BDC 21/2016 (Revised)**

**Revised Minutes of the 61<sup>st</sup> Meeting of the  
Business Development Committee held at 2:30p.m.  
on Tuesday, 15 November 2016 in the Boardroom,  
2<sup>nd</sup> Floor, HKPC Building, 78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

**Present :** Chairman – Mr. Willy Lin Sun-mo, SBS, JP  
Members – Mr. Bryan Ha Kwok-fung  
Mr. Leung Kwong-chuen  
Mrs. Agnes Mak Tang Pik-ye, MH, JP  
Mrs. Katherine Ngan Ng Yu-ying, MH, JP

**Absent with Apologies :** Prof. John Chai Yat-chiu, JP  
Dr. Delman Lee  
Prof. Helen Meng Mei-ling  
Mr. Sunny Tan

**In attendance from HKPC :**

Dr. Lawrence Cheung	Director, Technology Development
Mr. Tony Lam	Director, Corporate Services
Mr. Gordon Lo	Director, Business Management
Mr. Jonathan Ho	General Manager, Corporate Communication and Marketing
Ms. Vivian Lin	General Manager, Finance & Procurement (Item III only)
Mr. Derek Louie	General Manager, Automotive & Electronics (Item IV only)
Mr. Alfonso Tam	Chief Manager, Council Secretariat
Ms. Olivia Poon	Manager, Council Secretariat

**Welcome to New Chairman**

Mrs. Agnes Mak, the Executive Director (ED) welcomed Mr. Willy Lin as Chairman of the Business Development Committee.

## **Confirmation of Minutes (BDC 14/2016 Revised)**

The Revised Minutes of the 60<sup>th</sup> Meeting held on 12 July 2016 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.

### **III. Report on HKPC's Mainland Subsidiaries (BDC 17/2016)**

10. Invited by the Chairman, introduced the paper and briefed Members on the operating results of the 3 WFOEs, Shenzhen SZ-HK Productivity Foundation Co., Ltd. (深圳深港生產力基地有限公司) (SZJV) and Chongqing-Hong Kong Productivity Promotion Centre Co. Ltd. (重慶渝港生產力促進中心有限公司) (CQJV) for the period between April and September 2016 as contained in the paper.

11. said that an overall review of the business and operation strategies of the WFOEs was undertaken in September 2016 to optimize business opportunities and enhance operational efficiency. From the exercise, the vision, mission and values of WFOEs had been re-defined as follows:

- Vision: 全方位的專業諮詢服務合作夥伴
- Mission: 協助業界提升競爭力及持續發展
- Values: Improvement, Innovation, Integration, Integrity, Partnership, Passion, People and Performance

12. In terms of business strategy, said that the following focus business/service areas had been identified for pursuance:

- (a) technical support to local government for regional/industrial development;
- (b) smart manufacturing and robotics;
- (c) environmental services;
- (d) training business;
- (e) TURN programmes; and
- (f) service management and enhancement for enterprises.

In this connection, advised that Chongqing did not only offer opportunities for the development of electric vehicles, it was fast becoming a major transport and logistic hub in the Mainland. As such, both HKPC and its WFOEs should leverage the CQJV for business opportunities in these areas.

13. With regard to the Programme and Estimates for 2016/17 of the WFOEs and JVs, said that it was necessary to revise the budget with regard to the

following factors:

- (a) slowdown in the Mainland's economy;
- (b) the slow progress of Dongguan TURN Project under which no project had been approved since its agreement signing in December 2015 until end of August 2016, with approval of the first batch of 5 projects not granted until 30 August 2016; and
- (c) it was originally planned that 10 project staff of Guangzhou WFOE would accept the offer to be transferred to the other WFOEs/JV, but in the event only four accepted the offer and the other six staff chose to leave, leaving a sequential impact on the income position of the other WFOEs/JV that might otherwise be achievable.

14.                said that, after the revision, profit position would still be maintained for Shenzhen WFOE, SZJV and SZTI for its budget at RMB1.06M, RMB 0.58M and RMB0.27M respectively. However, the revised budget for Dongguan WFOE would show a deficit (RMB0.40M) against its original profit (RMB0.77M) as its financial results had been seriously affected by the slow down in Dongguan TURN. As regards Guangzhou WFOE, a budget deficit (at RMB 2.67M) was originally estimated on account of the necessity to provide for the liquidation cost of closing its operation. Under the revised budget, the deficit would be slightly reduced to RMB2.61M.

15.                then briefed Members on the latest progress of the realignment exercise, as follows:

- (a) the office in Guangzhou had ceased operation from 31 August 2016;
- (b) appropriate staffing arrangement had been made in full compliance with the regulatory requirement;
- (c) no staff issue ensued following detailed briefing on the realignment exercise and the arrangement for the Guangzhou WFOE staff prior to their contract termination;
- (d) all projects of Guangzhou WFOE had been completed except two being transferred to SZJV upon agreement with the project clients;
- (e) the transfer of shareholdings in CQJV from Guangzhou WFOE to Shenzhen WFOE was underway; and
- (f) the office move-out and reinstatement would be coordinated and outstanding requirements would be fulfilled as set out in the lease agreement by the scheduled lease-end date.

16. Members noted the progress of the Mainland subsidiaries and agreed to the revised Programme and Estimates of the Mainland subsidiaries for 2016/17.

#### **IV. 2016/17 Mid-Term Report of APAS (BDC 18/2016)**

17. Invited by the Chairman, [redacted] briefed Members on the 2016/17 Mid-Term Report of the Automotive Parts and Accessory Systems R&D Centre (APAS). [redacted] said that total expenditure for April-September 2016 was \$9.24M or \$1.68M (15.4%) below the original estimate of \$10.92M. This was mainly due to lower salary payment, accommodation and other direct expenses, as well as the provision for commercialization, internal audit and laboratory accreditation etc. not being utilized in the report period. As regards the Equipment Purchase Plan in the 2016/17 Annual Plan, it had been revised to align with the core R&D competence of APAS in electrical vehicle development and to meet the new market demand. But the original estimate was maintained.

18. With regard to the R&D Programme of APAS during April to September 2016, [redacted] said that:

- (a) 7 new projects were approved during the reporting period;
- (b) 2 Hong Kong standard patents were granted;
- (c) the total pledged industry sponsorship for 54 projects approved during April 2011 and September 2016 was equivalent to 38.9% of the total cost of these projects, surpassing the 20% target set by the Government for 2011-2016;
- (d) under the Public Sector Trial Scheme of ITF, 5 projects were on-going for the project deliverables of 50kW charger, dual channel 2-50kW fast charging station and 50kW stand-alone fast charger using resonant topology; and
- (e) an APAS showcase was held at HKPC on 17 June 2016 to promote R&D results including MOST infotainment system, Smart EV Mobilized Charger, 50kW IEC CCS EV Quick Charger Station, Advance Driver Assistance System and Smart City Demo Kit. The event was attended by over 220 guests from different industry sectors including bus companies, local automobile trade companies, power plants, automobile parts and accessories companies.

19. Members were then briefed by [redacted] on the achievements and new projects of APAS during the period.

20. Members noted the 2016/17 Mid-Term Report on the APAS and the revised 2016/17 Equipment Purchase Plan for submission to the ITC in line with the funding agreement with the Government.

**V. Report on Projects for Government Funding Schemes (April – September 2016) (BDC 19/2016)**

21. Members noted that between April and September 2016, 14 projects with HKPC's involvement had been approved under the respective government funding schemes, as follows:

- (a) Innovation and Technology Fund (ITF): 9 approved projects for \$25.9M;
- (b) SME Development Fund (SDF): 3 approved projects for \$8.6M; and
- (c) The BUD Fund (Organization Support Programme) - 2 projects were approved for \$5.0M.

22. Members also noted HKPC's secretariat support to several government funding schemes, including:

- (a) Enterprise Support Programme (ESP) of the BUD Fund;
- (b) Cleaner Production Partnership Programme;
- (c) Retail Technology Adoption Assistance Scheme for Manpower Demand Management; and
- (d) Recycling Fund.

**VI. Final Performance Review of Completed ITF Projects (BDC 20/2016)**

23. Members noted the final performance review of 5 completed ITF projects, as follows:

- (a) Development of Low-cost Hollow Metallic Micro-needle Array Manufacturing Methodology with Micro-electroforming Technology;
- (b) Development of Intelligent eBus with Light Body Structure and High Efficient Traction Motor System;
- (c) Infotainment System for Mass Transportation Vehicles (Public Sector Trial Scheme);
- (d) Development of Next Generation Scalable and Integrated Infotainment System; and
- (e) Automatic Electric Ground Surface Equipment Parking Bay Monitoring System Based on Vision.

## **VII. Any Other Business**

### **(A) Appointment of Mentor for ITF Project**

24. Members agreed to appoint Mr. Leung Kwong-chuen as the mentor of the newly approved ITF project, namely “Development of Laser Polishing Technology for Eco-friendly, Cost-effective and Rapid Metal Surface Finishing”.

### **(B) Attendance Record**

25. Members noted their attendance record in 2016 tabled at the meeting.

### **(C) 2017 Meeting Schedule**

26. Members noted the proposed 2017 BDC meeting schedule tabled at the meeting.

Meeting	Date and Time
62 <sup>nd</sup> BDC meeting	14 March 2017 (Tuesday) 2:30pm
63 <sup>rd</sup> BDC meeting	18 July 2017 (Tuesday) 2:30pm
64 <sup>th</sup> BDC meeting	14 November 2017 (Tuesday) 2:30pm

## **VIII. Date of Next Meeting**

27. It was agreed that the next meeting would be held on 14 March 2017 at 2:30pm.

28. There being no other business, the meeting was closed at 4:15pm.