

Vote of Appreciation

The Chairman suggested, and Members agreed, to record a vote of appreciation to the Council Chairman, Mr. Willy Lin Sun-mo, SBS, JP who assumed chairmanship of the Business Development Committee from 12 August 2016 to 31 December 2016, and to Prof. John Chai Yat-chiu, Mr. Leung Kwong-chuen, Prof. Helen Meng Mei-ling, Mrs. Katherine Ngan Ng Yu-ying, MH, JP and Mr. Sunny Tan for their contributions during their tenure as Members.

I. Confirmation of Minutes (BDC 21/2016 Revised)

1. The Revised Minutes of the 61st Meeting held on 15 November 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.

II. Matter Arising

(A) Collaboration with Massachusetts Institute of Technology (MIT) on Hong Kong Innovation Node

2. said that the Council noted by circulation of the paper on 1 March 2017 the collaboration with MIT Hong Kong Innovation Node (“the Node”) to establish a centre (“the Centre”) in the HKPC Building.

3. Invited by the Chairman, said that, following the approval obtained from Innovation and Technology Commission on 8 March 2017 on the underletting arrangement in accordance with the Special Conditions of the land grant of the HKPC building, HKPC signed the collaboration agreement with the Node on 10 March 2017, which included, among other things, the underletting of the floor space in the HKPC Building for the operation of the Centre

4. said that MIT would in principle operate the Centre independently in pursuance of the mission to enrich educational experiences of students and promote innovation in the commercial and social communities in Hong Kong and the PRD. Through this collaboration, HKPC would play a part in sharing knowledge and experience with MIT on industry needs, and exchanging views on how to blend aspects of cultures involved to facilitate learning of science and technology in the Hong Kong context. It was anticipated that this collaboration

initiative would also enable HKPC to broaden its exposure to MIT's technologies, and leverage MIT's "Industrial Internet" and Makerspace knowhow and experience, thereby enhancing HKPC's capability to support start-ups and to promote re-industrialization in Hong Kong.

5. Members noted that the new home of MIT in HKPC Building would be the first and only point in the Asia, which would be uniquely positioned to promote the translation of innovative and technologies ideas into industrial designs or products, and establish an eco-system to nurture a start-up culture in Hong Kong and support re-industrialization.

6. Members supported the collaboration framework and considered that in return the Node would bring significant benefits to HKPC by connecting HKPC to the MIT community and its technical capabilities and unique resources. More importantly, the Centre would educate the next generation of global innovators to take their ideas to impact by building a community for the benefits of all.

III. 2016/17 Annual Report and 2017/18 Annual Plan of APAS (BDC 1/2017)

7. Invited by the Chairman, introduced the paper and briefed Members on the 2016/17 Annual Report and 2017/18 Annual Plan of the APAS as outlined in the paper BDC 1/2017. also informed Members that APAS and the Automotive & Electronics Division of HKPC were consolidated under the same General Manager to create synergy.

8. Members noted the 2016/17 Annual Report as of end January 2017 and 2017/18 Annual Plan of APAS. Members also noted that the 2017/18 Annual Plan and the 2016/17 Annual Report to be updated as of end March 2017 would be submitted to the Innovation and Technology Commission (ITC), in line with the funding agreement with the Government.

9. In reply to , said that historically APAS had consistently met or exceeded its performance targets, particularly in respect of the level of industry contribution achieved. While the target for pledged industry contribution for 2017/18 seemed to be on the high side compared to the actual pledged industry contribution in 2016/17, it must be noted that APAS had focused on undertaking more seed projects in the year for capability building which had a negative impact on securing industry contribution via collaborative projects. This was strategic planning for the future development and growth of APAS so that its capabilities were updated and expanded continuously to meet the new and emerging needs of the sector. With the ground work laid in enhancing the future capabilities of APAS, a larger focus would be on collaborative projects in partnership with industry in 2017/18. Supplementing, said that

capability building was vital to ensuring the continuous relevance of APAS to industry needs. said that the 2017/18 target for pledged industry contribution should be achievable. In this connection, pointed out that industry participation in collaborative projects was strongly incentivized by IP right ownership of the project deliverables by the collaboration industry partner for future commercial exploitation, as well as the Cash Rebate Scheme which would in effect lower the total financial outlay of industry partners for their involvement in research initiatives which would benefit their future development and growth.

10. As regards the Annual Plan for 2017/18, Members noted that the budgeted equipment cost (\$0.97M) was lower than the estimated actual for 2016/17 (\$1.4M). said the Management might need to re-examine the equipment list for 2017/18 during the year and consider whether any upward revisions would be necessary for equipment improvement to meet the new demand of the market and technology trend.

11. was in support of APAS's marketing plan to make the developments of APAS over the decade more widely known in the industry, and considered there was a need to refresh the brand identity by revamping the centre's logo.

IV. Report on Proposals for Government Funding Schemes (April 2016 – January 2017) (BDC 2/2017)

13. Members noted that between April 2016 and January 2017, 34 projects with HKPC's involvement had been approved under the respective government funding schemes, as follows:

- (a) Innovation and Technology Fund (ITF) - 14 projects were approved for \$37.5M;
- (b) SME Development Fund (SDF) – 11 projects were approved for \$20.8M;
- (c) CreateSmart Initiative (CSI) - 1 project was approved for \$1.2M;
- (d) Environment and Conservation Fund (ECF) - 1 project was approved for \$1.7M; and
- (e) The BUD Fund (Organization Support Programme) - 7 projects were approved for \$20.5M.

14. 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.

15. Invited by the Chairman, briefed Members that the extension of the application period of the BUD Fund for 5 years to June 2022 was announced in the 2017/18 Budget Speech delivered by the Financial Secretary on 22 February 2017. Members noted that, based on the pricing approach supported at the 61st BDC meeting (BDC 15/2016) held on 15 November 2016, the Government had formally accepted the proposal, including the secretariat fee level, for the continued engagement of HKPC as the ESP secretariat for a period of seven-and-a-half years starting from 25 June 2017.

V. Final Performance Review of Completed ITF Projects (BDC 3/2017)

16. Members noted the final performance review of 2 completed ITF projects, as follows:

- (a) Development of an Innovative Compact 2-stage Membrane-coupled Anaerobic Digestion System for Decentralized Treatment of Food Waste to Generate Biogas; and
- (b) Development of a Laser Engraving Machine for Multi Decorative Finishing on Denim Jeans.

VI. Any Other Business

(A) Appointment of Mentors for ITF Projects

17. In replacement of ex-Council Members, Mrs. Katherine Ngan and Prof. Helen Meng, Members agreed to appoint Mr. Felix Chow and Prof. Tam Kar-yan as the mentors of the two ITF projects, respectively as follows:

- (a) Development of a Visible Light Photo-catalytic Antimicrobial and VOCs Removal Coating Using Upconversion Materials; and
- (b) Development of a High Pressure Processing System to Produce High Quality Safe Food for Local Restaurants and High Risk Groups (e.g. elderly).

(B) Inno Space in HKPC

18. Invited by the Chairman, briefed Members on the setting up of Inno Space in HKPC Building, as announced in the 2017 Policy Address and the 2017-18 Budget, to expand the start-up culture in Hong Kong and support re-industrialization.

19. shared his personal experience in running a makerspace setup which was currently in operation, and considered that the Inno Space should create an environment that enabled co-creation process, rather than purely providing co-working space for entrepreneurs. In response, said that co-working space was a new trend in business but the Inno Space would be more uniquely positioned to offer one-stop professional services, from training, prototyping, testing, intellectual property management to advices on small to full scale production, that really could help the new companies to grow and to create ideas together. said that it was envisaged that the setting up of Inno Space in HKPC Building would create an integrated platform for educational activities and technical support services (including prototyping) to facilitate the sharing of practical technologies and skills to start-up companies in realizing their innovative ideas into product prototypes, small batch production to final products.

20. Members noted the progress of the setting up of Inno Space and considered that the Inno Space would bring synergy with the operation of the MIT Hong Kong Innovation Node, and would help shape our culture and create an ecosystem for those makers to put innovative and technological ideas into practice and support re-industrialization. Members further noted that a proposal, including the operation of the Inno Space, would be duly submitted to the Innovation and Technology Commission.

(C) Attendance Record

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

VII. Date of Next Meeting

22. It was agreed that the next meeting would be held on 18 July 2017 at 2:30pm.

23. There being no other business, the meeting was closed at 3:55pm.