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and Members' names removed)**

BDC 12/2017 (Revised)

**Revised Minutes of the 63rd Meeting of the
Business Development Committee held at 2:30p.m.
on Tuesday, 18 July 2017 in the Boardroom,
2nd Floor, HKPC Building, 78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

Present : Chairman – Dr. Delman Lee

 Members – Mr. Alan Cheung
 Mr. Bryan Ha Kwok-fung
 Mrs. Agnes Mak Tang Pik-ye, MH, JP
 Prof. Tam Kar-yan, MH
 Mr. Emil Yu Chen-on, JP

Absent with Apologies : Mr. Felix Chow Bok-hin

In attendance from HKPC :

Dr. Lawrence Cheung	Director, Technology Development
Mr. Gordon Lo	Director, Business Management
Mr. Alfonso Tam	Chief Manager, Council Secretariat
Ms. Olivia Poon	Manager, Council Secretariat

Congratulations

The Chairman congratulated Prof. Tam Kar-yan for being awarded the Medal of Honour (M.H.) and Mr. Emil Yu Chen-on appointed to be Justice of Peace (J.P.) on 30 June 2017.

I. Confirmation of Minutes (BDC 4/2017 Revised)

1. The Revised Minutes of the 62nd Business Development Committee (BDC) Meeting held on 14 March 2017 had been circulated to Members and there were no further requests for amendments. The Revised Minutes of the meeting were taken as read, confirmed and signed by the Chairman.

II. Three-year Strategic Plan of HKPC for 2018/19-2020/21 (BDC 5/2017)

2. introduced the paper and said that the existing Three-year Strategic Plan was anchored on two focus areas, namely Smart City and Smart Industry, with 12 business development corporate goals (corporate goals) identified along 10 strategic themes, as approved by the Council in July 2016. The Management considered that this strategic framework was still valid and that HKPC would continue to pursue the 2017/18-2019/20 strategic plan with some adjustment to the target deliverables of the 12 corporate goals for sharper focus. Separately, after further consultation with industry through a wide array of activities during the first 5 months of 2017, 2 new corporate goals were identified in the area of “Smart Industry”, as follows:

- (a) Applications of Intelligent Technologies and Solutions (*under strategic theme of Smart Services/Products*); and
- (b) Inno Space and Prototyping (*under strategic theme of Re-industrialization*).

3. said that the 14 corporate goals with their target sectors and their planned deliverables in the current year (2017/18) and the next 3 years (2018/19-2020/21) were summarized at Appendix 1 of the paper. The target deliverables to be achieved in 2017/18 had been enriched and preparatory work for implementation had commenced. A report on the status of that implementation would be submitted under the 2018/19 Programme and Estimates paper in November 2017.

5. After discussion, Members supported and agreed to recommend for the Council’s approval the Three-year Strategic Plan of HKPC for 2018/19-2020/21 as outlined in Appendix 2 of the paper.

III. Report on HKPC’s Mainland Subsidiaries (BDC 7/2017)

6. Invited by the Chairman, introduced the paper and briefed Members on the operating results for the 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 October 2016 to May 2017, as detailed in the paper.

7. said that the financial results of the Mainland subsidiaries for 2016/17 had been adversely affected by the slowdown in economic activities in the Mainland, delays in approval of projects for the Dongguan TURN Programme and the closure of GZWFOE. However, it was anticipated that more business opportunities would arise under the Hong Kong-Shenzhen-Macau Bay Area and One Belt One Road initiatives.

8. In response to the remarks of and with regard to the business opportunities in Chongqing, said HKPC was in discussion with the Hong Kong Trade Development Council's Chongqing Office to explore business opportunities, making gainful use of their established network and local knowledge. This strategy had the full support of the CQJV partner.

9. In reply to , said that the business activities of the WFOEs were clearly defined in their respective business licences, which were mainly consulting and technical support. On the other hand, SZJV and SZTI were not wholly foreign owned enterprises and as such could hold licence to conduct training activities and to import equipment/machinery. Hence, they provided valuable support to the consulting business of the WFOEs and facilitation for project delivery.

10. Members noted the business progress and operating results of the WFOEs and JVs as contained in the paper. Members also noted that liquidation of GZWFOE had entered the final stage. It was anticipated that the whole liquidation process should be completed by the end September 2017.

IV. Establishment of the HKPC Shenzhen Research Institute (BDC 6/2017)

11. Invited by the Chairman, said that HKPC had been invited by the Futian Municipal Government (FTMG) to join the service platform FTMG established in the Shenzhen Futian Free Trade Zone to support the development of the Hong Kong/Shenzhen Innovation and Technology Park (港深創新及科技園) for innovation technology development, and to support the Hong Kong-Shenzhen-Macau Bay Area and One Belt One Road initiatives.

12. said that after a number of site visits and discussion with FTMG top officials, there was consensus that HKPC would establish an institute in the Futian Free Trade Zone as detailed in paragraphs 6-13 of the paper.

13. said that the proposed institute would be a meaningful initiative to synergize innovative technology development and opportunities between Hong Kong and Shenzhen. Meanwhile, the rental agreement of SZWFOE/SZJV would expire on 30 June 2018 and substantial rental increase was anticipated. As such, the site of the proposed institute would provide a cost and space friendly alternative to accommodate SZWFOE, SZJV and SZTI under one roof.

14. In reply to , said that the proposed institute would leverage the strengths and industry connection of HKPC and its subsidiaries in the Mainland. In this regard, key service areas of the institute would include smart manufacturing, applications of artificial intelligence, big data and Internet+, environmental technology and consultancy services on advanced management and start-up business.

15. In reply to , said that HKPC would develop an overall business model for the institute and the Mainland subsidiaries in order to scale up the services substantively through leveraging their capabilities to serve the industries more effectively. Based on these, the detailed business plan of the institute would be carved out separately.

16. In reply to , said that the institute would primarily focus on serving Hong Kong-owned companies as well as the local government and research/technology institutes.

17. After discussion, Members supported that the proposed establishment of the institute (as detailed in paragraphs 6-13 of the paper) to enable HKPC to capitalize on opportunities to sustain continuous development in applied research and development, to enhance cooperation with the professional institutes in the Mainland, and to gainfully position itself in the Bay Area and under the One Belt One Road initiative.

V. Report on Commercial Research and Development (CRD) (BDC 8/2017)

18. Members noted the progress in commercialization of completed CRD projects as of 31 May 2017, including:

- (a) the promotion and prospection of the deliverables of 20 CRD projects via media interviews, seminars, visits and training workshops;
- (b) the licencing of the “Food Waste Conversion System” on a non-

- exclusive agreement;
- (c) the on-going implementation of another 18 CRD projects; and
- (d) the creation of 20 successful client and ITF projects based on these CRD projects findings and deliverables.

19. In reply to _____, _____ said a provision of HK\$3M was earmarked in HKPC's annual budget as seed money to support CRD activities by the operation divisions.

VI. Status Report on Massachusetts Institute of Technology (MIT) Hong Kong Innovation Node and Inno Space (BDC 9/2017)

20. Members were briefed by _____ on the latest development of the Massachusetts Institute of Technology (MIT) Hong Kong Innovation Node (the Node) and Inno Space (the Space) as outlined in the paragraphs 4-7 of the paper. The official opening of the Node would be held on 23 September 2017. As for the Space, it was planned for it to be operational in late September or early October 2017. Members noted that services under the three areas of the Space, namely Inno-Idea, Inno-Prototype and Inno-Network, would encompass prototyping, small batch and full production advisory, equipment training, safety training, TEC talk, business networking, and membership activities. _____ said that the Space would make its equipment and machinery available for the "MIT Entrepreneurship and Maker Skills Integrator" programme students and graduates at a nominal fee via a reciprocal arrangement with the Node. _____ further said that a reciprocal discount would be offered to other makerspace and co-working space members to maximize HKPC's strengths to complement other makerspace set-ups and facilitate the building up of a new eco-system and a community for the pursuance of the 4-C objectives (i.e. Complete, Complement, Connect and Community) of the Space.

21. In reply to _____ on the growth of co-working spaces, _____ said that the Space was designed to be a place where businesses could connect to a community for a richer co-creation working experience, rather than an event space for entrepreneurs. Participation would be on a monthly membership fee basis for defined number of access hours to ensure efficient use of resources. Separately, student membership would also be available for access to the Space in defined periods during the week and a separate membership and fee programme would need to be formulated.

22. Members noted and supported the proposed way forward on the collaboration as set out in paragraphs 8-12 of the paper. _____ said that the Management would prepare an annual plan and progress reports for the Space

within the proposed operation framework for BDC's comment and approval. The successful operation of the Space would however hinge upon a business model to be developed to make it self-sustainable after the initial subvention was exhausted.

VII. Report on Projects for Government Funding Schemes (February – May 2017) (BDC 10/2017)

23. Members noted the position of HKPC's projects under various government funding schemes between February and May 2017, as follows:

- (a) Innovation and Technology Fund (ITF): 5 projects were approved for \$8.9M;
- (b) SME Development Fund (SDF): 2 projects were approved for \$2.5M; and
- (c) The BUD Fund (Organization Support Programme): 3 projects were approved for \$5.7M.

24. 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.

VIII. Final Performance Review of Completed ITF Projects (BDC 11/2017)

25. Members noted the final performance review of 3 completed ITF projects, as follows:

- (a) To Develop an Individual Tie-bar Control and Multi-stage Injection Two-platen Die Casting Machine for the Production of High Strength Auto Parts;
- (b) Development of a Waterless Multi-functional Industrial-scale Supercritical Fluid System for Textile Treatment; and
- (c) Develop a Hybrid 3D Printing Technology for Bra Cup Industry to Enable Quick Response Manufacturing.

IX. Any Other Business

(A) The Setup of an Environmental Chamber by Hong Kong Research Institute of Textiles and Apparel at HKPC

26. Members briefed Members that The Hong Kong Research Institute of Textiles and Apparel (HKRITA) would rent a laboratory space of 1,060 sq. ft. on the 5/F of the HKPC Building for the setup of its Environmental Chamber.

27. Subject to ITC's approval under the land grant of the HKPC Building, a lease would be offered to HKRITA for 36 months having regard to the operational needs of HKPC and HKRITA, and with a one month free rent and management fee arrangement. Members considered the collaboration would create synergy and leverage the strengths of HKPC and HKRITA to the benefits of the industry.

(B) Appointment of Mentor for ITF Project

28. Members agreed to appoint Mr. Felix Chow Bok-hin as the mentor of the newly approved ITF project "Development of Low-cost Autosperic Pressure Plasma Enhanced Coating Process for Advanced Ceramic Thin Film Hard Coat in Large-scale Manufacturing of High Value Added Products".

(C) Attendance Record

29. Members noted their attendance record in 2017 tabled at the meeting.

X. Date of Next Meeting

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

31. There being no other business, the meeting was closed at 4:40pm.