

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

BDC 18/2017 (Revised)

**Revised Minutes of the 64th Meeting of the
Business Development Committee held at 2:30p.m.
on Tuesday, 14 November 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. Felix Chow Bok-hin
 Mr. Bryan Ha Kwok-fung
 Mr. Gordon Lo
 Prof. Tam Kar-yan, MH
 Mr. Emil Yu Chen-on, JP

In attendance from HKPC :

Dr. Lawrence Cheung	Director, Technology Development
Mr. Derek Louie	General Manager, Automotive Parts and Accessory Systems R&D Centre (Item V only)
Mr. Alfonso Tam	Chief Manager, Council Secretariat
Ms. Olivia Poon	Manager, Council Secretariat

I. Confirmation of Minutes (BDC 12/2017 Revised)

1. The Revised Minutes of the 63rd Business Development Committee (BDC) Meeting held on 18 July 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. Matters Arising

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

2. said that, following the approval by Innovation and Technology Commission on 17 October 2017, HKPC signed an agreement with the Hong Kong Research Institute of Textiles and Apparel (HKRITA) on 31 October 2017 for the underletting of the floor space of HKPC Building for HKRITA to set up an Environmental Chamber for laboratory use.

(B) Revised Terms of Reference (TOR) for the Business Development Committee

3. briefed Members that, since the Three-year Strategic Plan of HKPC consisted of business strategies for development, the Council agreed at its 135th meeting held on 26 July 2017 that it should be reviewed and recommended by the Business Development Committee (BDC), instead of the Finance Committee (FC). Arising from this decision, Members supported the Management’s proposal to seek the Council’s approval to revise the Terms of Reference (TOR) of the BDC by adding a new pointer as follows:

“To recommend HKPC’s Three-year Strategic Plan to the Council for consideration.”

III. 2017/18 Annual Plan of Inno Space (BDC 13/2017)

4. Invited by the Chairman, said that Inno Space was opened on 27 October 2017 on the first floor of the HKPC building as a one-stop centre to support the development of an eco-system for entrepreneurs, maker spaces and start-up community in Hong Kong focusing on four key objectives, namely:

- (a) Complete – to offer a complete service from idea to industry (i2i service);
- (b) Complement – to maximize HKPC’s strengths to complement other makerspace set ups;

- (c) Connect – to connect and build a new eco-system for start-ups and entrepreneurs; and
- (d) Community – to build a community in support of the reindustrialization in Hong Kong.

then briefed Members on the Annual Plan of Inno Space for 2017/18, including the key focuses of Inno Space for the year, major initiatives, resource requirements, and marketing and manpower plan as outlined in paragraphs 4 to 19 of the paper.

5. In reply to _____, _____ said that the operation of Inno Space was on a membership basis and its space would not be used for rental purpose as such service was already amply provided for by the market and therefore not a focus of the Inno Space. Nonetheless, there would be storage space for users' prototypes if necessary.

6. In reply to _____, _____ said that since opening, Inno Space had attracted over 500 visitors and approved more than 30 membership registrations. Another 20 plus membership applications were under review. Free membership was offered in the first two months to help create a larger awareness of the support services of Inno Space.

7. _____ said that membership fees alone would not be a sustainable way to support the continuous operation of Inno Space. As the eco-system would encourage start-ups to evolve their capabilities competitively, Inno Space should continuously expand its service offerings to meet their needs. In response, _____ said that Inno Space would capitalize on HKPC's expertise and service portfolio to offer one-stop technical support at every stage of the idea-to-commercialization odysseys of these start-ups, from prototyping, testing, small batch and volume production to commercialization. HKPC's industry network would also provide useful support to their business endeavours.

8. After discussion, Members approved the Annual Plan of Inno Space for 2017/18 as set out in the paper. Members also agreed that the Management should provide the Annual Plan for 2018/19 for the BDC's approval at the next meeting in March 2018.

IV. Report on HKPC's Mainland Subsidiaries (BDC 14/2017)

9. Invited by the Chairman, introduced the paper and briefed Members on the operating results of 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 between April and September 2017 as detailed in the paper.

10. then briefed Members on the progress on the establishment of the HKPC Shenzhen Innovation and Technology Centre (香港生產力促進局深圳創新及技術中心) (the Centre) in the Shenzhen Futian Free Trade Zone, as follows:

(a) a Memorandum of Understanding (MOU) was signed with the Futian Municipal Government (FTMG) on 18 August 2017 as a basis for registration of the Centre;

(b) preparation for the registration of the Centre as a non-commercial body was in progress;

and

(d) it was planned to relocate the offices of Shenzhen WFOE and SZJV (including SZTI) to the Centre.

11. In reply to , said the Centre would generate an income of RMB2M each year by setting up a “公共服務平台” offering the services as defined in the MOU signed with FTMG, for example, R&D of smart manufacturing, artificial intelligence, big data and environmental technologies. The Centre could also provide integrated support services for start-ups and SMEs with reference to the operation model of Inno Space of HKPC. said that the set up was expected to create synergy with Inno Space of HKPC to assist local start-ups to showcase their innovations to manufacturers and investors for business collaboration. The income of the Centre would be used to offset the rental expenditure of the SZ entities. There would not be any other subletting of the Centre, apart from the Shenzhen WFOE, SZJV and SZTI.

12. In reply to 's question on the significant decrease in estimates for Dongguan WFOE for 2018/19 and 2019/20 as compared with the forecast in last year's P&E, said that the forecast for lower financial results of WFOE had taken account of current performance of the WFOEs, the reduced number of

TURN projects and the soon expiring Dongguan TURN Programme. That said, HKPC would work with the WFOEs to capitalize on new business opportunities arising from Greater Bay Area and Belt and Road initiatives for revenue creation.

13. Members noted the business progress and operating results of the WFOEs and JVs as contained in the paper. Members also noted that the liquidation process of Guangzhou WFOE would be completed by the end of December 2017, on advice of the Mainland lawyer handling the liquidation.

V. 2017/18 Mid-Term Report of APAS (BDC 15/2017)

14. Invited by the Chairman, introduced the paper and briefed Members on the 2017/18 Mid-Term Report of the Automotive Parts and Accessory Systems R&D Centre (APAS) as outlined in the paper.

15. Members were then briefed by on the achievements and R&D projects of APAS during the period, as detailed in paragraphs 7 to 20 of the paper.

16. In reply to on the commercialization of technology, said HKPC would always seek to attract commercialization partners to fully explore and exploit the commercial potential of technologies through non-exclusive licensing arrangement to ensure their widest application to benefit industry.

17. Members noted the 2017/18 Mid-Term Report on the APAS for submission to the ITC in line with the funding agreement with the Government.

VI. Report on Projects for Government Funding Schemes (April – September 2017) (BDC 16/2017)

18. Members noted that between April and September 2017, 15 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 \$19.2M;
- (b) SME Development Fund (SDF): 2 approved projects for \$2.5M; and
- (c) The BUD Fund – Organization Support Programme: 4 approved projects for \$8.3M.

19. 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.

VII. Final Performance Review of Completed ITF Projects (BDC 17/2017)

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

- (a) Development of High Efficiency Plasma Light for High Power and High Color Rendering Index Applications; and
- (b) Development of Laser-assisted Progressive Forming (LAPF) Process for Fabrication of High Strength and Lightweight Automotive Parts.

VIII. Any Other Business

(A) Appointment of Mentor for ITF Project

21. Members agreed to appoint Mr. Emil Yu as the mentor of the newly approved ITF project “Development of the Advanced User-friendly Surgical Smoke Evacuation System under Pneumoperitoneum for Laparoscopic Intervention”.

(B) Attendance Record

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

(C) 2018 Meeting Schedule

23. Members noted the proposed 2018 BDC meeting schedule tabled at the meeting.

Meeting	Date and Time
65 th BDC meeting	13 March 2018 (Tuesday) 2:30pm
66 th BDC meeting	10 July 2018 (Tuesday) 2:30pm
67 th BDC meeting	13 November 2018 (Tuesday) 2:30pm

IX. Date of Next Meeting

24. It was agreed that the next meeting would be held on 13 March 2018 at 2:30pm.

25. There being no other business, the meeting was closed at 3:45pm.