

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

BDC 6/2013 (Revised)

**Revised Minutes of the 50th Meeting of the
Business Development Committee held at 2:30p.m.
on Tuesday, 5 March 2013 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 - Ir Daniel Cheng Man-chung, MH, JP
Dr. Delman Lee
Mr. Leung Kwong-chuen
Mrs. Agnes Mak, MH, JP
Mrs. Katherine Ngan Ng Yu-ying, JP
Mr. Frank Tsang
Mr. Jack Yeung Chung-kit

Absent with Apologies : Mr. Jimmy Kwok Chun-wah, MH, JP

In attendance from HKPC :

Mr. Leo Lam	Director, Business Innovation
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 Mr. Leung Kwong-chuen who attended the meeting for the first time.

Vote of Appreciation

The Chairman suggested, and Members agreed, to record a vote of appreciation to Dr. Cliff Chan Chok-ki for his contribution during his tenure as Member.

Confirmation of Minutes (BDC 22/2012 Revised)

The Revised Minutes of the 49th Meeting held on 13 November 2012 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. HKPC Services Audit Statement (BDC 1/2013)

1. Invited by the Chairman to report, said that, on advice of the Audit Committee, HKPC adopted its first Services Audit Statement in March 2010, in replacement of the previous “Dos and Don’ts List” on HKPC’s services. 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 Business Development Committee (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, incorporating the Vision, Mission and Values last year as guiding mottos, had been reviewed and found to be still applicable. As the aim of the statement was to provide broad macro parameters to guide the delivery of HKPC’s services on the basis of HKPC’s mandate as defined by the HKPC Ordinance, the Management did not consider that there would be need for substantive changes to the Statement in the near future. Separately, HKPC’s programme of activities were also further defined by the annual Programme and Estimates and the Three-year Forecast Exercise. In view of this, the Management considered that the Statement might not warrant annual review by the BDC and proposed that whilst the Management would continue to internally review the validity of the Services Audit Statement on an annual basis to ensure that it was up to date with market situation and overall circumstances, submission to the BDC would only be required should substantive amendments or updates to the Services Audit Statement be recommended. With regard to services planned for exit, it was proposed to include the section of the Statement on “Exit Programme” in the Three Year Strategic Plan which was considered by the BDC in the June/July round of meetings. This would ensure that the BDC would be consulted in advance on HKPC services planned for exit ahead of the annual Programme and Estimates and Forecast exercise.
3. enquired whether promoting productivity excellence as HKPC’s defined mission was broad enough to enable HKPC to respond to different services requests including services reflecting the public role of HKPC and in support of the implementation of public policies. In reply,

said that according to the HKPC Ordinance, HKPC's statutory function was to promote the increased productivity of industries.

said that the Cleaner Production Partnership Programme was a major HKPC initiative in support of a clear government policy, while SME One was a public mission initiative to extend integrated support to SMEs.

supplemented that HKPC's mission, vision and values were adopted by the Council following a brainstorming session involving HKPC staff and Council Members in 2011.

4. In reply to , explained that the annual submission of the Statement to BDC was originally the Management's own initiative and that it was not a specific recommended action in the Commission of Audit's report on HKPC in 2009. ED assured Members that should there be an urgent need to introduce any substantive changes to the Statement in response to the market situation and policy changes, there was always the flexibility to convene emergency meetings to consider the amendments.

5. Members endorsed for the Council's approval:

- (a) the continual use of the "HKPC Services Audit Statement" at the Appendix of the paper BDC 1/2013 which was considered to be still valid and update; and
- (b) the proposals at paragraphs 4, 7 and 8 of the same paper on the review mechanism for the HKPC Services Audit Statement in future.

II. Business Plan of APAS Division for 2013/14 (BDC 2/2013)

6. Invited by the Chairman, introduced the paper and briefed Members on the respective targets of the APAS Division's Annual Plan for 2013/14 as follows:

ITF-funded R&D Projects:

- (a) to initiate 10 new R&D projects with an estimated value of \$30M;
- (b) to obtain 24% of the total cost of the new projects from industry contribution; and
- (c) to register 2 patents and enter into 2 licensing agreements with external parties for IPs generated from R&D projects.

Commercialization and Promotion

- (a) to devote more effort to promoting the IPs generated from R&D projects, leveraging on the market resource of HKPC to find new

- collaboration partners and organizing open house and media promotion events;
- (b) to approach trade and professional associations to introduce and market commercialization opportunities and to create web-links to the website of these associations to maximize exposure of project results; and
 - (c) to launch 4 public sector user trial projects to demonstrate the R&D prototypes in government departments and NGOs, organize technical seminars and participate in exhibitions/conferences to project itself as an information hub for the local industry and to publicize a monthly newsletter, FOCUS, etc.

Other R&D Activities

- (a) to conduct market-led R&D in 3 key areas: battery management system, charging system and vehicle system control with an aim for product realization and commercialization; and
- (b) to provide testing services, pursue more accreditation and build up connections with local and overseas laboratories via the test lab.

7. On the staffing position of the APAS Division, said that there were at present 24 staff and 9 vacant posts. Suitable candidates for the vacant posts of General Manager and Principal Consultant (Research &Technology) had already been identified through open recruitment. The latest plan was that the new General Manager, with automobile industry experience and marketing skill set, would come on board in May 2013. APAS would look to fill 4 vacant posts in the year ahead and the new General Manager would also be in a better position to determine the mix of talents required in due course. added that it was hoped that the new General Manager would instill more initiative and vigor in the R&D ventures of APAS.

8. On the financial side, said that the APAS Division's estimated income for 2013/14 was \$21.364M, of which \$20.244M would be from ITF to support its operation during the year. The estimated expenditure would be \$21.364M. said that the present business plan was on the conservative side with no expansion plan, formulated with reference to the limited funding approved by the Legislative Council. In response,

informed Members that although provided estimates of annual expenditure when seeking approval of the Finance Committee (FC) of Legislative Council for the operation of the APAS Division covering the period 1 April 2013 to 31 March 2017, there was flexibility for the Commissioner for Innovation and Technology to adjust the estimates in approving the APAS Division's annual expenditure to meet its resource needs in support of its R&D activities during the period.

9. Members noted the Annual Business Plan of the APAS Division for 2013/14.

III. Report on Projects for Government Funding Schemes (April 2012 – January 2013) (BDC 3/2013)

10. Invited by the Chairman to report, reported that during the period of April 2012 to January 2013, HKPC was involved in 33 government funded projects, including projects funded by Innovation and Technology Fund (ITF), SME Development Fund (SDF), Professional Services Development Assistance Scheme (PSDAS), CreateSmart Initiative (CSI) and the Branding, Upgrading and Domestic Sales (BUD) Organization Support Programme.

11. Members noted the report.

IV. Interim Performance Review of Completed ITF Projects (BDC 4/2013)

12. Members noted the interim performance review of one ITF project which was completed within budget, namely:

“Develop a Patentable Smart Multi-adhesive-carrying-rollers Lamination System to Upgrade the Local Intimate Apparel Industry”.

V. Final Performance Review of Completed ITF Projects (BDC 5/2013)

13. Members noted the final performance review of two ITF projects, namely:

- (a) Innovative Development of Local Technology and Capability in Design and Manufacture of Aircraft Cabin Seat Assembly; and
- (b) Development of Liquid Silicone Rubber (LSR) Injection Moulding Machine and Over-moulding System for Manufacturing Health Care and Medical Products.

14. In a related context, said that time was of the essence for the timely commercialization and industry adoption of the project deliverables, the Management was reminded to proactively follow up with potential collaborators on the Aircraft Seat project and the Idle Engine project.

VI. Any Other Business

(A) Appointment of Mentors for ITF Projects

15. Members agreed to the appointment of Ir Daniel Cheng to be the mentor for the new ITF project “Development of a Novel Biofilm Carrier to enhance the

Performance of the Moving Bed Biofilm Reactor (MBBR) Process for Treating Domestic Sewage and Industrial Wastewater under High Loading Condition".

(B) Attendance Record of BDC Members

16. Members noted the attendance record in 2012 tabled at the meeting. The Chairman encouraged Members to attend future meetings.

VII. Date of Next Meeting

17. It was agreed that the date of the next meeting was scheduled for 16 July 2013 at 2:30pm.

18. There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned at 4:00p.m.