

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

**BDC 13/2014 (Revised)**

**Revised Minutes of the 54<sup>th</sup> Meeting of the  
Business Development Committee held at 2:30p.m.  
on Tuesday, 15 July 2014 in the Boardroom,  
2<sup>nd</sup> Floor, HKPC Building, 78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

**Present** : Chairman – Mr. Clement Chen Cheng-jen, SBS, JP  
Members – Mr. Jimmy Kwok Chun-wah, BBS, MH, JP  
Dr. Delman Lee  
Mr. Leung Kwong-chuen  
Mrs. Agnes Mak Tang Pik-yee, MH, JP  
Mr. Frank Tsang

**Absent with Apologies** : Ir Daniel Cheng Man-chung, MH, JP  
Mrs. Katherine Ngan Ng Yu-ying, JP  
Dr. Jack Yeung Chung-kit

**In attendance from HKPC** :

Mr. Tony Lam	Director, Corporate Services
Mr. Joseph Poon	Director, Technology Development
Dr. Lawrence Cheung	General Manager, Automotive & Electronics (Item III only)
Mr. Jonathan Ho	General Manager, Corporate Communications
Mr. Alfonso Tam	Chief Manager, Council Secretariat
Ms. Gillian Luk	Senior Manager, Council Secretariat

**Confirmation of Minutes (BDC 5/2014 Revised)**

The Revised Minutes of the 53<sup>rd</sup> Meeting held on 11 March 2014 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. Matters Arising**

### **Commercialization of Technologies**

1. Invited by the Chairman, said that Members approved by circulation of paper in January 2014 the commercialization of five technologies. Contract was signed for one of the technologies while detailed contract terms were being negotiated with the licensees for the other four technologies.

3. After discussion, Members agreed with that the Management should always seek the greatest possible protection of the intellectual property rights (IPR) of the technologies developed by HKPC so as to ensure their widest application to benefit industry. In this connection, the Management should rethink the terms of IPR ownership for future commercialization deals, especially for those under an exclusive arrangement. In this connection, reference to the commercialization rules of the ITF could be made as appropriate, for example, the need for a commercialization partner to return the IPR to HKPCT in the event of failure in commercialization or in achieving agreed sales target in a defined period of time.

## **II. Three-year Strategic Plan of HKPC for 2015/16 – 2017/18 (BDC 6/2014)**

4. said that at the 113<sup>th</sup> Council meeting held on 30 March 2010, Members agreed that HKPC should submit a three-year strategic plan annually before the Council considered the three-year forecast for the same period. The Council also noted that the proposals under the strategic plans would be translated into concrete initiatives in the subsequent Programme and Estimates exercise subject to availability of resources. said that the existing strategic plan of HKPC was anchored on a four-pronged strategy focusing on scaling up platforms, creating value for SMEs, sharpening core competencies and developing strategic partnership. The Management had revisited the existing strategic plan and considered that the four-pronged strategy was still valid. then went on to brief Members on the major initiatives under the 2015/16 - 2017/18 strategic plan (paragraph 5 of the paper) which would be guided by the corporate goal focusing on business development to meet the new and emerging needs of industry. The Management would

consider the necessity of revisiting the strategic plan during the year if there were any fundamental changes in the relevant macro environment.

5. As regards the exit plan, [redacted] said that no services were planned at this point for exit in the next three years. However, HKPC aimed to withdraw from providing secretariat service to industry/trade associations in 2014/15. The planned withdrawal was necessary taking account of the impact of the amended Companies Ordinance earlier this year which imposed more stringent requirements, and hence liabilities, on entities performing company secretariat functions. Withdrawal was also advisable given the availability of professional company secretary service providers in the market. Instead, [redacted] would provide technical and industry support focusing on HKPC's core competence, and licensee service which would meet the operation and business networking needs of the associations. But HKPC would steer clear of secretarial services and logistic and administrative support to non-business related functions (e.g. social/recreational events) of the associations.

6. In reply to [redacted], [redacted] said that arising from this withdrawal, existing service contracts would either be terminated, terminated upon natural expiry or amended in agreement with the respective associations. The need for HKPC to withdraw from secretariat service was explained to the associations and the offer of technical/industry support and licensee service was generally welcomed. [redacted] said that the formation of the associations had provided a platform for enhanced networking among themselves, with industry and HKPC. [redacted] agreed with [redacted] that HKPC and the associations should continue to cooperate to pursue worthwhile projects. However, it would not be productive to focus singularly on project cooperation as the basis for a continuing partnership.

7. After discussion, Members supported the various initiatives under the Three-year Strategic Plan of HKPC for 2015/16 – 2017/18 based on the four-pronged strategy guided by the corporate goal focusing on business development to meet new and emerging needs of industry.

### **III. Report on Industry Study on Hong Kong's Testing and Certification Industry (BDC 7/2014)**

8. Invited by the Chairman, [redacted] introduced the paper and said that the aim of the study was to identify new development opportunities for the testing and certification (T&C) industry, and to explore initiatives for

empowering its sustainable growth. The study identified three mainstream development trends that might generate future T&C opportunities:

- (a) application of smart technologies especially in the areas of wireless charging, near field communication (NFC) and radio-frequency identification (RFID) for which T&C services would be in demand in supporting the development of applications of these emerging smart technologies. To support the further development of the local T&C industry to meet service demand, the study recommended that the relevant international regulatory approval testing certification requirements should be identified and that business networking between local T&C service providers, manufacturers and major retailers of smart technologies should be enhanced in order to explore the establishment of new business partnerships;
- (b) product sustainability especially in the areas of product carbon footprint labelling and certification of biodegradable materials which were fast becoming the new product labelling trend. To meet the demand for T&C services associated with product sustainability, the study recommended practical training for industry practitioners and the promotion of wider application of T&C services in the commercial sectors; and
- (c) green transport especially in the areas of electric vehicle (EV) batteries, EV charging equipment, fuel economy and energy performance. A separate study was recommended on the existing international T&C requirements related to green transport to identify focus areas for the local T&C industry and the potential for localization of such requirements.

Separately, to empower the sustainable growth of the T&C industry, the study recommended that T&C business development should be strengthened by amalgamating the joint expertise of the testing facilities of local institutions to provide a “one-stop shop” solution for industries. The study also recommended the establishment of a centralized knowledge transfer platform to help enhance the professional development of T&C practitioners on an on-going basis.

9.                   said that the study was conducted on HKPC’s own resources. This was an internal study by HKPC and there was no plan at the moment for its public release and promotion. HKPC would disseminate the study findings through various channels to the T&C stakeholders and explore opportunities to work with them towards realizing some of the recommended initiatives. The

study report had also been submitted to the Secretariat of the Hong Kong Council of Testing and Certification (HKCTC) for its views and consideration of any action that it might deem necessary. In response, said that the HKCTC Secretariat was studying the draft report. Subject to the comments of the HKCTC, there might be a need for HKPC to fine tune the study report.

10. In reply to , said that the study would help HKPC ascertain the needs of the T&C industry proactively and develop relevant support and solutions. The study was also a living document providing a base for HKPC and other stakeholders to take forward initiatives to meet the changing needs of the T&C industry. agreed that support of the relevant government departments would be important to the success of the various initiatives, for example, in the testing requirements and certification of EVs by the Transport Department, as raised by .

11. Members noted and supported the report findings and recommendations.

#### **IV. Report on Commercial Research and Development (CRD) (BDC 8/2014)**

12. Members noted the position of CRD projects as at May 2014. Members also noted the progress in commercialization of completed CRD projects, as follows:

- (a) the exclusive licensing arrangement for the food waste conversion system would expire in September 2014 and the system would be promoted to other potential users for further commercialization opportunities;
- (b) a non-exclusive licensing arrangement was signed for an invisibLED technology with a local company for 3 years at a licensing fee of \$0.06M;
- (c) a non-exclusive licensing agreement for an automatic engine idle stop and supplementary air conditioning system was being finalized with a local company; and
- (d) the promotion, marketing and prospection of the deliverables of 19 CRD projects via media interviews, seminars, visits and training workshops.

13. In reply to \_\_\_\_\_, \_\_\_\_\_ said that, if the HKPC considered it useful, the Innovation and Technology Commission (ITC) could line up a meeting with the Transport Department and the Electrical and Mechanical Services Department for HKPC to discuss with them the issues surrounding the rigid type approval and certification requirements which would have serious impact on the timely commercialization of the automatic idle stop and supplementary air conditioning system. However, it should be noted that the final approval authority rested with these departments and such authority would be expected to be exercised with due regard to their respective regulatory responsibilities.

**V. Report on Projects for Government Funding Schemes (February – May 2014) (BDC 9/2014)**

14. Members noted the position of HKPC's involvement in government funding scheme projects between February and May 2014 with 24 approved projects for the Innovation and Technology Fund (ITF), the SME Development Fund (SDF), the CreateSmart Initiative (CSI) and the BUD Fund (Organization Support Programme).

**VI. Interim Performance Review of Completed ITF Projects (BDC 10/2014)**

15. Members noted the interim performance review of 3 completed ITF projects, namely:

- (a) Developing Hong Kong into an International Testing, Certification and Trading Centre for Chinese Medicine by Establishing a Product Certification Scheme for Chinese Materia Medica in Compliance with the ISO Guide 67;
- (b) Development of an Intelligent Mould (i-mould) Manufacturing System; and
- (c) To Develop an Innovative Over-moulding Tandem Injection Moulding Machine for Producing Large and Thin-wall Auto Parts Cost-effectively.

## **VII. Final Performance Review of Completed ITF Projects (BDC 11/2014)**

16. Members noted the final performance review of one completed ITF project, namely “Establishment of Watch Movement, Components and Subassemblies Testing Laboratory”. HKPC would provide details on utilization of the testing laboratory to ITC after the meeting.

## **VIII. Follow-up Actions on the Director of Audit’s Report No. 61 on the Innovation and Technology Fund (BDC 12/2014)**

17. Members noted the key recommendations of the Director of Audit arising from a value-for-money audit on the ITF as set out in Chapters 9 and 10 of his Report No. 61, as well as the follow-up actions relevant to the R&D Centres. Members also noted the various improvement measures as set out under paragraph 8(a)-(d) which required the cooperation of the R&D Centres and were being followed-up by/with the respective R&D Centres. In this connection, the APAS Division would pursue the required follow-up actions as appropriate and cooperate with ITC to meet the half-yearly reporting requirement of the Audit Commission.

(A video on APAS was shown at the meeting at this juncture. The video introduced the major projects by APAS in the past year on the development of new energy vehicles. The video had previously been shown at a meeting of the Panel on Commerce and Industry of the Legislative Council.)

## **IX. Any Other Business**

### **(A) Appointment of Mentors for ITF Projects**

18. Members agreed to the appointment of mentors for two new ITF projects initiated by HKPC:

- (a) Mr. Jimmy Kwok Chun-wah as mentor for the new ITF project “Novel Design for Smoke Management under Pneumoperitoneum during Laparoscopic Intervention”; and
- (b) Dr. Dennis Ng Wang-bun as mentor for the new ITF project “Development of Low-cost Hollow Metallic Microneedle Array Manufacturing Methodology with Micro-electroforming Technology”.

**(B) SME One 2<sup>nd</sup> Anniversary**

19. The BDC noted that the one-stop centre for SMES, SME One, had been set up for 2 years and a cocktail reception would be held on 17 July 2014 to celebrate the occasion. Apart from serving as a platform to provide comprehensive support in relation to various government funding schemes, market financial proposals and latest technology/management/IT solutions, SME One had been used since March 2014 as the venue to host business luncheons with HKPC's stakeholders. These luncheons were welcomed by participants as an informal venue for exchanges and had enhanced their understanding of HKPC's wide range of expertise and services. For HKPC, the luncheons provided a useful marketing platform for our services. So far luncheons had been held for the recycling and retail sectors, the media and SME One sponsors. Following on the luncheons, HKPC had been requested for service proposals, further exchange of views and sponsorship renewal. Luncheons were being planned for CIOs of major corporations, HKPC's major clients, key players of industry sectors, charitable organizations, NGOs and industry associations.

**(C) Attendance Record**

20. Members noted their attendance record in 2014 tabled at the meeting.

**X. Date of Next Meeting**

21. It was agreed that the next meeting would be held on 11 November 2014 at 2:30pm.

22. There being no other business, the meeting was adjourned at 4:45pm.