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

BDC 21/2014 (Revised)

Revised Minutes of the 55th Meeting of the Business Development Committee held at 2:30p.m. on Tuesday, 11 November 2014 in the Boardroom, 2nd Floor, HKPC Building, 78 Tat Chee Avenue, Yau Yat Chuen, Kowloon

<u>Present</u>: Chairman – Dr. Clement Chen Cheng-jen, SBS, JP

Members – Ir Daniel Cheng Man-chung, MH, JP

Mr. Jimmy Kwok Chun-wah, BBS, MH, JP

Mr. Leung Kwong-chuen

Mrs. Agnes Mak Tang Pik-yee, MH, JP Mrs. Katherine Ngan Ng Yu-ying, JP

Mr. Frank Tsang

Dr. Jack Yeung Chung-kit

Absent with Apologies: Dr. Delman Lee

In attendance from HKPC:

Mr. Tony Lam Director, Corporate Services
Mr. Gordon Lo Director, Business Management
Mr. Joseph Poon Director, Technology Development

Dr. Lawrence Cheung General Manager, Automotive & Electronics

(Item II only)

Mr. Alfonso Tam Chief Manager, Council Secretariat

Confirmation of Minutes (BDC 13/2014 Revised)

The Revised Minutes of the 54th Meeting held on 15 July 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. <u>Members</u> noted that for the case of the commercialization of the Automatic Engine Idlestop and Supplementary Air Conditioning System (ISAC), the licensee had decided to withdraw from the commercialization deal on grounds of the high cost involved in the installation of the system. HKPC was arranging for a new round of expression of interest and tender invitation to commercialize the ISAC.

II. Report on Industry Study on Electric Vehicle (EV) Adoption in Hong Kong (BDC 14/2014)

- Invited by the Chairman, introduced the paper and briefed Members on the findings of a study conducted by HKPC on electric vehicle (EV) adoption in Hong Kong. The study was a follow up on an Industry Network Cluster (INC) consultation session on Green Mobility conducted on 28 June 2013 which revealed a number of issues that would significantly stifle the growth of a local EV industry on the one hand and the wider adoption of EVs by the public on the other. Desktop research on the strategies on EV adoption in other countries and interview with local EV stakeholders were conducted. total of 13 recommendations were made in five key areas, namely (a) facilitation of an overall government role in promoting EV adoption, (b) EV charging infrastructure, (c) human capital development, (d) type approval, and (e) safe The recommendations were listed out in detail under disposal of EV batteries. paragraph 6 of the paper. The full report could be made available to Members upon request.
- 4. said that the EV industry was developing at a fast pace and it was anticipated that the systems, functions and provisions of EVs for private use would soon be standardized, thereby encouraging quicker and wider adoption. This being the case, it was important for government coordination to put in place the necessary support infrastructure such as a defined charging standard and charging points in good time to support EV adoption in Hong Kong.
- 5. <u>Members</u> noted the industry study on EV adoption.

III. Report on HKPC Senior Management Visit to Australia (BDC 15/2014)

- 6. said that led a visit to Australia during 17 to 22 August 2014. The aim of the visit was to explore potential partnership with renowned Australian research institutes and universities in the areas of automotive, advanced materials, advanced manufacturing and water treatment. During the visit, the HKPC delegation met with senior executives of the following 11 leading universities, R&D institutes, industry support enterprise and government department:
- (a) Monash University;
- (b) The Commonwealth Scientific and Industrial Research Organisation (CSIRO) Material Science and Engineering;
- (c) AutoCRC;
- (d) The Royal Melbourne Institute of Technology (RMIT) University Advanced Manufacturing Precinct, School of Aerospace, Mechanical and Manufacturing Engineering;
- (e) Advanced Composite Structures Australia Pty. Ltd. (ACS Australia);
- (f) Deakin University Institute for Frontier Materials;
- (g) CSIRO (Geelong Technology Precinct);
- (h) Australian Department of Industry;
- (i) Australian National University Mechanical, Materials and Manufacturing Group;
- (j) Australian Wool Innovation Limited; and
- (k) University of Wollongong.
- said that the visit was fruitful and various follow-up initiatives were being explored or pursued. In the area of automotive, there would be cooperation opportunity in the next generation of lithium battery and management system and its adoption in the electrification of vehicles. For water treatment, we would explore the market potential in Hong Kong and the Mainland in drainage sludge reduction with energy and phosphorus recovery and recycling. For advanced materials, the focus would be on the adoption of carbon composite for various product applications and advanced nano fiber for different function coating applications. As for advanced manufacturing, we would explore the transfer and adoption of the composite joining technology and MEMS/NEMS sensors to support 3-D printing and flexible roll forming, laser deposition/cutting, composite joining and low temperature coating.

that the HKPC delegation had also been introduced to the Computer Assisted Virtual Environment (CAVE) 2 system developed by the Monash University which was a next-generation immersive hybrid 2D and 3D virtual reality environment. In Hong Kong, CAVE2 may find its application in complicated civil engineering design works, architectural design, medical research and scenario based training. HKPC would explore the feasibility of setting up a similar facility by first gauging the potential demand by industry.

- 8. said that technology visits to other countries would provide materials for HKPC to build up a technology information and resource hub for ready access by industrialists. In doing so, HKPC would be fulfilling a public mission role by creating a linkage between the research institutes and industry and providing a platform for interaction by the relevant parties to gainfully exploit the commercial potentials of R&D results and technologies developed. Such a platform would also keep Hong Kong industry abreast with the latest technological, product and material development from around the world which was important to enhancing their competitiveness continuously.
- 9. <u>Members</u> noted the visit to Australia and the various follow up initiatives and potential areas for collaboration being pursued and explored by HKPC.

IV. Report on HKPC's Mainland Subsidiaries (BDC 16/2014)

- 10. Invited by the Chairman to report, briefed Members on the business results and progress of the Mainland subsidiaries, along the following adopted Mainland business strategies:
- (a) strengthening subject divisions support;
- (b) pursuing centre of excellence;
- (c) boosting training business;
- (d) developing integrated services platform; and
- (e) focusing on key account management.
- 11. In terms of financial results, said that the three WFOEs produced a profit of RMB1.1M for the first two quarters of 2014/15. During the same period, the Shenzhen SZ-HK Productivity Foundation Co. Ltd. (SZJV),

including the Shenzhen-HK Productivity Institute (SZTI), recorded a loss of RMB0.3M.

- 12. <u>Members</u> deliberated in detail on how to improve the business and income position of the Mainland subsidiaries and concluded that:
- (a) the business managers of HKPC must think out of the box to help WFOEs maximize business and income opportunities and take the WFOEs and JVs essentially as additional business teams, rather than competitors, to help HKPC divisions effectively explore the vast business opportunities in the Mainland;
- (b) the Management should focus on building up teams of local staff at the WFOEs with project delivery capabilities to handle normal run-of-the-mill consultancy projects, rather than just providing facilitation and logistics support; and
- (c) over time, WFOE should develop their own competencies as independent consultants as a premise for the WFOEs to develop on a sustainable basis.
- 13. <u>Members</u> noted the business progress, strategic positioning initiatives and the way forward for the Mainland subsidiaries.

V. 2014/15 Mid-Term Report of APAS Division (BDC 17/2014)

14. <u>Members</u> noted the mid-term report of APAS Division for submission to the ITC in line with the funding agreement with the government, covering the R&D programme and centre operation for the first two quarters of 2014/15.

VI. Report on Projects for Government Funding Schemes (April – September 2014) (BDC 18/2014)

15. <u>Members</u> noted the position of HKPC's involvement in government funding scheme projects between April and September 2014 with 14 approved projects for the Innovation and Technology Fund (ITF), the SME Development Fund (SDF) and the BUD Fund (Organization Support Programme).

VII. <u>Interim Performance Review of Completed ITF Projects</u> (BDC 19/2014)

- 16. <u>Members</u> noted the interim performance review of 3 completed ITF projects, namely:
- (a) Deterministic 4-axis Freeform Ultra-precision Automatic Polishing Technology Development;
- (b) Development of Circumferential Bracing Technology using Functional Foam for Emergency Treatment and Maximizing the Healing Efficacy of Humeral Shaft Fracture; and
- (c) Development of Disposable and Degradable Synthetic Fibres for Textile Industry by Chelating Dual/Multiple Metal Ions Masterbatch Technology.

VIII. Final Performance Review of Completed ITF Projects (BDC 20/2014)

17. <u>Members</u> noted the final performance review of one completed ITF project, namely "Development of Industry-scale Plasma Treatment System for Wool/Cashmere Knitwear to Minimize Pilling".

IX. Any Other Business

(A) Attendance Record

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

(B) 2015 Meeting Schedule

19. <u>Members</u> noted the proposed 2015 BDC Meeting Schedule tabled at the meeting, as follows:

Meeting	Date and Time
56 th BDC meeting	10 March 2015 (Tuesday) 2:30pm
57 th BDC meeting	14 July 2015 (Tuesday) 2:30pm
58 th BDC meeting	10 November 2015 (Tuesday) 2:30pm

X. Date of Next Meeting

- 20. It was agreed that the next meeting would be held on 10 March 2015 at 2:30pm.
- 21. There being no other business, the meeting was adjourned at 5:15pm.