

Welcome to New Chairman

ED welcomed Mr. Stanley Lau Chin-ho as Chairman of the Business Development Committee.

Vote of Appreciation

The Chairman suggested, and Members agreed, to record a vote of appreciation to Dr. Clement Chen Cheng-jen for his contributions during his tenure as BDC Chairman.

Congratulations

The Chairman congratulated Mrs. Katherine Ngan for being awarded the Medal of Honour (M.H.) and Prof. John Chai for being awarded the Justice of Peace (J.P.) on 1 July 2015.

Confirmation of Minutes (BDC 6/2015 Revised)

The Revised Minutes of the 56th Meeting held on 10 March 2015 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 the Business Development Committee (BDC) approved by circulation on 2 April 2015 and 25 June 2015 the licensing arrangement for a Food Waste Conversion System (FWCS) and a Smoke Controlled Paper Artifacts System (SCOPAF) respectively. Contract signing was completed for the FWCS under which a non-exclusive licence was granted to a local company _____ for 5 years. For the SCOPAF, details of the contract were being finalized with the client. Under the arrangement approved by the BDC, a non-exclusive license for the SCOPAF would be granted to the company _____ for 3 years in Macau, PRC, Singapore and Taiwan.

II. Three-year Strategic Plan of HKPC for 2016/17 – 2018/19 (BDC 8/2015)

4. Invited by the Chairman, said that at its 113th meeting held on 30 March 2010, the Council 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 plan would be translated into concrete initiatives in the subsequent Programme and Estimates exercise subject to availability of resources.

5. then briefed Members on the progress of the 12 corporate goals for business development under the strategy plan for 2015/16 - 2017/18, of which 11 had been achieved as at May 2015. The remaining one was related to the application for accreditation under the Qualifications Framework for the Productivity Training Institute (PTI) of HKPC. Accreditation was still underway with assessment just held on 9 July 2015. According to the interim report issued on 14 July 2015, the Accreditation Panel had recommended to the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) that the PTI was considered as meeting the HKCAAVQ accreditation standards. The Panel had also advised that the final accreditation report would be issued at around end-August 2015. Details were under para. 4 of the paper.

(Post-meeting Note: Accreditation for PTI was formally awarded on 13 August 2015.)

6. said that for the 2016/17 - 2018/19 strategic plan, the Management had revisited the existing four-pronged strategy approved by the Council and considered that it was still valid. The strategy was anchored on scaling up platforms; creating values for SMEs; sharpening core competencies of HKPC; and developing strategic partnership. The pursuit of this strategy would continue to be guided by the business development corporate goals to meet new and emerging needs of industry. In this connection, 9 new corporate goals had been identified for pursuit under the 2016/17-2018/19 strategic plan and front end preparation work had already started for these new goals, as follows:

- (a) Best practices model (enhanced version) of retail industry (*under strategy of creating value for SMEs*);
- (b) 3D printing (*under strategies of scaling up platforms and creating value for SMEs*);

- (c) Information security for embedded system (*under strategies of scaling up platforms, creating value for SMEs and developing strategic partnership*);
- (d) Novel materials and sensor technology (*under strategies of scaling up platforms and sharpening core competencies*);
- (e) Sector-based automation solution and intelligent robotics technology (*under strategies of scaling up platforms and developing strategic partnership*);
- (f) Biomedical compliance (*under strategies of creating value for SMEs and sharpening core competencies*);
- (g) Industry 4.0 and 中國製造2025 (*under strategies of creating value for SMEs and sharpening core competencies*);
- (h) Carbon reduction (*under strategies of scaling up platforms, creating value for SMEs and developing strategic partnership*); and
- (i) Green transportation (*under strategies of creating value for SMEs, sharpening core competencies and developing strategic partnership*).

7. said that the proposed strategic plan was to provide a basis for the preparation of the detailed estimates for 2016/17 for the Council's consideration in November 2015. Where necessary, the Management would consider revisiting the strategic plan during the year if there were any fundamental changes in the macro policy environment to ensure that HKPC's strategy was in line with government policy. In this connection, said that the current four-pronged strategy had been adopted for 5 years or so. It might be opportune for the Council to conduct a brainstorming session for an overall review of the strategy in late 2015 or early 2016 in preparation for the formulation of the next three-year strategic plan for HKPC to continue to provide focused and effective support to industry.

8. Led by the Chairman, Members had detailed discussion on the strategic plan and their views are summarized as follows:

- (a) there was a continued need for HKPC to help Hong Kong owned companies in the Mainland upgrade and transform their operations, and to communicate with the relevant Mainland authorities (e.g. municipal governments) to ensure their understanding and support of HKPC's initiatives prior to their launch;
- (b) the huge business potential of 3-D printing should be fully explored, supported by an active marketing campaign to raise industry awareness and to provide focused support to industry to meet their needs arising from the global trend for small batch prototyping and production;
- (c) HKPC should focus consultancy and technical support for increased

automation and robotic production for manufacturers to address the labour shortage issue in the Mainland, especially the PRD;

- (d) formulation of relevant assistance to meet the new and emerging needs of industrialists, including the relocation of high value add processes back to Hong Kong (工序回流);
- (e) HKPC should also make efforts in coming up with policy ideas like a think tank, in collaboration with other research institutes as appropriate, to lead the market in sourcing and adapting technologies for ready application by industry and in the development of signature unique support services for industry to help them meet new needs and enhance their competitiveness continuously; and
- (f) more information should be collected, when available, on 中國製造2025 (which focused on advanced and heavy industry) for analysis as to whether there would also be business opportunities to capitalize on by Hong Kong's light industry and what was the relevant assistance required.

9. said that had sent comments on how HKPC's corporate goals under the three-year strategic plan were developed and how they would be pursued to help industry achieve their longer term strategies, especially with regard to the goals on biomedical compliance, carbon reduction and green transportation. A reply was sent on 12 July 2015 explaining that the objective of setting business development corporate goals was to align HKPC's resources to focus on areas for the development of the required capabilities pertinent to the new and emerging needs of industry in the longer term. The pursuance of the corporate goals would involve cross divisional collaboration and at times external partners, thereby optimizing HKPC's role in providing effective industry support and promoting productivity excellence. The corporate goals were compiled based on surveys, opinions from industry (HKPC's Industry Network Cluster sessions being a key channel), upcoming regulatory requirements, government policies as well as macro trend assessment and HKPC's related capabilities. The Management's reply would be circulated to Members for information.

(Post-meeting Note: Reply was circulated to Members on 15 July 2015.)

10. In reply to , said that the four-pronged strategy was meant to provide a broad strategic framework to guide the work of HKPC, including the development of corporate goals and industry support initiatives towards meeting the new and emerging needs of industry. The goals were not project based but were set up to guide the development of relevant assistance to industry to meet their needs on a longer term basis. As regards HKPC's industry

support activities in the Mainland, assured Members that in pursuing the corporate goals, the Mainland angle would necessarily be addressed given that the business activities in Hong Kong and the Mainland had become so intertwined as to be inseparable.

11. said that achievement of the various corporate goals would eventually be measured in terms of the support services that the corporate goals would be able to deliver and how effective they were in helping the industry meet its needs to remain competitive in the ever-changing environment now and in the longer term. This might call for a review of the KPIs on HKPC's performance in time with the progressive completion of the goals.

12. In reply to , said that under the goal on green transportation, HKPC would aim to produce a roadmap on the development of green transportation and its building block technologies. This roadmap would address the issues of green transportation on a broader level. The Management would separately advise the ITC to clarify the relationship between the green transportation roadmap of HKPC and the roadmap of APAS. In brief, the green transportation roadmap of HKPC encompassed a wider scope than the roadmap of APAS.

13. Members supported the new strategic business development corporate goals under the Three-Year Strategic Plan of HKPC for 2016/17 - 2018/19 as outlined in Appendix 2 of the paper. Members also supported the Management's proposal to arrange a brainstorming session with Council Members at 2015 year-end or in early 2016 to review the strategies of HKPC with regard to the macro environment and the new/emerging needs of industry, including HKPC's assistance to industrialists on the relocation of high value add processes back to Hong Kong (工序回流).

III. A 4-year Plan of APAS Division for 2017/18 to 2020/21 (BDC 9/2015)

14. Invited by the Chairman, introduced the paper and briefed Members on the achievements of APAS Division (APAS) from 2011/12 to 2014/15 and a 4-year plan to extend the operation of APAS from 31 March 2017 to 31 March 2021.

15. said that APAS should focus on development of the high speed charger to bring down the cost and time of charging for electric vehicles. There was also a need to work with the relevant government departments to

standardize the charging system. As regards the e-Bus, development work should also target to downsize the battery and to reduce the frequency for battery charging to enhance overall performance.

16. Members noted the achievements of APAS and the 4-year plan to extend the operation of APAS from 31 March 2017 to 31 March 2021.

IV. Report on HKPC's Mainland Subsidiaries (BDC 10/2015)

17. Invited by the Chairman, introduced the paper and briefed Members on the progress update and way forward for WFOEs, Shenzhen SZ-HK Productivity Foundation Co., Ltd. (SZJV) and Chongqing-Hong Kong Productivity Promotion Centre Co. Ltd. (CQJV).

19. said that Hong Kong owned companies in the Mainland were moving to other parts of the Mainland in search of better cost benefits in operation. A singular focus on the PRD would not speak much business sense going forward. However, before a robust business plan was in place to equip the WFOEs with the necessary experienced staff with project delivery capability, it was simply not advisable to contemplate expansion or diversification at this point of time, despite the vast business opportunities in the Mainland.

20. Members noted the business progress of the Mainland subsidiaries.

V. Report on Commercial Research and Development (CRD) Projects (BDC 11/2015)

21. Invited by the Chairman, introduced the paper and briefed Members on the completed and ongoing CRD projects. Members were also briefed on the amendments made to the Guiding Principles on Commercializing HKPC's Technologies as contained in a Standard Practice. Major revisions, apart from procedural enhancement to the internal commercialization process and handling of IPRs in projects of different nature, concerned the following:

(a) the formation of JVs would no longer be pursued as a form of commercialization; and

(b) in order to grasp the market window as time is of the essence in commercialization, proposals from bidders would be submitted to the BDC for approval upon endorsement by an internal selection panel chaired by the Executive Director.

22. Members noted the progress in commercialization of completed CRD projects and the promotion, marketing and prospection of the deliverables of 28 CRD projects via media interviews, seminars, visits and training workshops. Members also noted that ITC would review the abovementioned Standard Practice with reference to the Guide on Intellectual Property Arrangements and project agreements for R&D projects funded under the Innovation and Technology Fund (ITF), including APAS projects. ITC would advise HKPC of their views in due course.

VI. Report on Projects for Government Funding Schemes (February – May 2015) (BDC 12/2015)

23. Members noted the position of HKPC’s involvement in government funding scheme projects between February and May 2015 with 5 approved projects for the Innovation and Technology Fund (ITF), the SME Development Fund (SDF), the CreateSmart Initiative (CSI) and the Environment and Conservation Fund (ECF). Members also noted the plan of the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD) - Enterprise Support Programme (ESP) to launch an “ESP Easy-Simplified Application Track” and the cooperation with several non-government organizations to provide free-of-charge (or lower cost) services to BUD grantees.

24. Members noted the report and suggested that in future, the status of various Government funding schemes for which HKPC acted as secretariat should be reported in the paper.

VII. Interim Performance Review of Completed ITF Projects (BDC 13/2015)

25. Members noted the interim performance review of one completed ITF project, namely “Development of Advanced and Integrated Motorcycle Electronic Fuel Injection System”.

VIII. Final Performance Review of Completed ITF Projects (BDC 14/2015)

26. Members noted the final 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.

IX. Any Other Business

(A) Attendance Record

27. Members noted their attendance record in 2015 tabled at the meeting.

X. Date of Next Meeting

28. It was agreed that the next meeting would be held on 10 November 2015 at 2:30pm.

29. There being no other business, the meeting was adjourned at 5:45pm.