

held on 12 April 2016 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) Commercialization of Technologies

1. said that a non-exclusive licensing arrangement for an “Automatic Engine Idlestop and Supplementary Air Conditioning System” (ISAC) developed by HKPC was approved by Members by circulation of paper on 15 February 2016. However, the potential licensee had subsequently informed in June 2016 of its withdrawal from the deal.

2. said that to prevent recurrence of such incidents, the Management would consider the feasibility of reserving the rights of HKPC to initiate penalty action under such situation in future.

III. Three-year Strategic Plan of HKPC for 2017/18-2019/20 (BDC 9/2016)

3. introduced the paper and briefed Members on the proposed corporate goals under the Three-year Strategic Plan for 2017/18-2019/20. These corporate goals had been developed in accordance with the revised vision, mission and values (VMV), the 3-pronged strategy and 10 strategic themes for HKPC as approved by the Council at its 131st meeting on 27 April 2016.

4. said that 12 corporate goals had been developed after consultation with industry through a wide array of activities. They would be pursued under the overall guiding concept of Smart City and Smart Industry to meet the new and emerging needs of industry. Front end preparation work had already started for these new goals, as follows:

Smart City

- (a) Carbon Reduction through Smart Environmental Solutions (*under strategic theme of Sustainability Services/ Products*);
- (b) Smart Mobility for Smart City (*under strategic theme of Sustainability Services/Products*);
- (c) Smart Healthcare Solutions and Internet of Things (IoT) (*under strategic*

theme of Healthcare Solutions);

- (d) Technology and Service Roadmap for Smart Services and Products: (a) Sensors, (b) IoT, and (c) Big Data (*under strategic theme of Smart Services/Products*);
- (e) Cyber Security for Smart City (*under strategic theme of Cyber Security*);

Smart Industry

- (f) Advanced 3D Printing Materials & Manufacturing Technologies (*under strategic theme of Re-industrialization*);
- (g) Smart Manufacturing with Intelligent Automation and Robotics in Industry 4.0 (*under strategic theme of Re-industrialization*);
- (h) Centre of Excellence in Surface Technology (*under strategic theme of Novel Materials*);
- (i) Service Roadmap of Smart Services and Products Testing and Compliance (*under strategic theme of Testing & Compliance*);
- (j) Transforming Business for Performance Breakthrough (*under strategic theme of Business Transformation*);
- (k) New Model for Knowledge and Innovation Management (*under strategic theme of Knowledge & Innovation Management*); and
- (l) Service Models for Human Capital Development (*under strategic theme of Retooling*).

5. Members concurred that HKPC's corporate goals should primarily target to help industry meet their needs under the changing business environment now and in the longer term, especially with regard to the goals on human capital development under the strategic theme of retooling. In response, said that a thematic approach would be adopted to help enterprises retool themselves to meet the challenges presented by Industry 4.0 and ensure continued capability enhancement to cultivate smart people for smart city and support smart industry. Under the goal, HKPC would aim to develop a 3-tier service model to stimulate new ways of thinking and maximize learning outcomes for different levels of staff including corporate executives.

6. said that technological progress would continuously create new types of jobs, while eliminating the need for many others. Therefore, HKPC's focus would be on re-training and re-deployment of the workforce by upgrading their skills for jobs of the future, hence ensuring their relevance and competitiveness to support the healthy development of Hong Kong industry. To help industry capitalize on new opportunities (e.g. industrial data analytics and robotics) and gear up for new challenges, HKPC would continue to support

sectoral manpower training needs via a total end-to-end solution approach which was different from the service of other training institutes.

7. In reply to [redacted] with regard to the scope of smart healthcare solutions, [redacted] said that HKPC's healthcare solutions were essentially market-led based on practitioners' needs. The focus was to develop smart healthcare solutions working in partnership with practitioners from the industry to solve problems they encountered and ensure compliance. Supplementing, [redacted] said that the novel design for smoke evacuation for laparoscopic surgery developed by HKPC was a good example illustrating the value-add of HKPC's solutions in helping clients, with our engineering expertise for product and process enhancement.

8. [redacted] said that to ensure the effectiveness of the corporate goals, they must address relevant issues in the macro policy environment and economic landscape, both in Hong Kong and the Mainland. In reply, [redacted] said that this was indeed the premise for developing HKPC's corporate goals alongside industry consultation. [redacted] stressed that HKPC's strategic plan was an organic business master plan which would evolve with time and industry's changing needs through annual reviews to ensure relevance and effectiveness of HKPC's solutions for industry.

9. In reply to [redacted], [redacted] said that the corporate goals for 2014/15 and 2015/16 had been implemented with services being offered as normal business lines of HKPC. The corporate goals for 2016/17 were being pursued targeting service launch in 2017/18. The goals were not project-based and involved cross divisional collaboration targeting the provision of integrated one-stop solutions to industry.

10. [redacted] said that the penetration of electric vehicle (EV) charging infrastructure, while still in its early stage, was a good example showing the effort made by HKPC to put newly developed technologies to the market as soon as possible. In response, [redacted] said that at present all EV charging stations were primarily based on the model developed by HKPC. HKPC's efforts aside, the successful operation and modification of EV charging stations would however hinge upon a viable business model being agreed among the electricity companies, and other organizations such as building body corporates.

11. Members supported the new strategic business development corporate goals under the Three-Year Strategic Plan of HKPC for 2017/18 - 2019/20 as outlined in Appendix 2 of the paper. Members also supported the proposed exit of one

service in 2017/18, namely autoclave testing service, as the market was mature.

IV. Report on HKPC's Mainland Subsidiaries (BDC 10/2016)

12. Invited by the Chairman, introduced the paper and briefed Members on the operating results under the existing strategies for 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 October 2015 to May 2016 as contained in the paper. also informed Members that HKPC had embarked on an overall review of the business and operation strategies of HKPC's Mainland subsidiaries after the realignment to optimize business opportunities and enhance operational efficiency. The review was underway and its progress would be reported at the next meeting in November 2016.

13. Continuing, said that at a Special Meeting held on 3 February 2016, Members endorsed a proposal to realign the WFOEs and close the Guangzhou WFOE (GZWFOE) to enhance operation efficiency and cost-effectiveness. The Council approved the proposal by circulation of Paper P.C. 3/2016 on 26 February 2016. The Management would follow through the execution plan and ensure that the necessary preparation, communication and compliance requirements would be taken care of in good time, in particular the following:

- (a) to complete all current business contracts involving GZWFOE by the end of August 2016;
- (b) to make appropriate staffing arrangement in full compliance with the regulatory requirement and ensure prior staff communication; and
- (c) to discuss with the partner of Chongqing-Hong Kong Productivity Promotion Centre Co. Ltd. (CQJV) the transfer of shareholdings from GZWFOE to Shenzhen WFOE.

14. said that staff of the GZWFOE would be informed of the realignment exercise on 13 July 2016. and relevant HKPC GMs would be present at the GZWFOE office for the announcement. In reply to , said that the landlord was open to early termination of the lease of GZWFOE office subject to a replacement tenant being provided. In this connection, a prospective tenant was being identified. The Management would also seek to minimize the removal costs in fulfilling the lease-end obligation, such as identifying a tenant willing to take on the premises as it was so that reinstatement would not be required.

15. Members noted the business progress and operating results of the WFOEs and JVs as contained in the paper. Members also noted and agreed to the revised Programme and Estimates for 2016/17 of WFOEs, SZJV and SZTI in the context of the realignment of Mainland subsidiaries and closure of GZWFOE.

V. Report on Commercial Research and Development (CRD) Projects (BDC 11/2016)

16. Members noted the progress in commercialization of completed CRD projects as of 31 May 2016, as follows:

- (a) the promotion, marketing and prospection of the deliverables of 30 CRD projects via media interviews, seminars, visits and training workshops were on-going;
- (b) of the 30 completed projects, two attracted licensing offers from the industry, namely the “Food Waste Conversion System” and “InvisibLED”, with non-exclusive licensing agreements signed; and
- (c) another 8 CRD projects were being implemented with completion dates within the year of 2016 according to schedule.

VI. Report on Projects for Government Funding Schemes (March – May 2016) (BDC 12/2016)

17. Members noted the position of HKPC’s projects under various government funding schemes between March and May 2016. Members also noted HKPC’s secretariat support to the following government funding schemes:

- (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 13/2016)

18. Members noted the final performance review of 4 completed ITF projects, as follows:

- (a) Novel Design for Smoke Management under Pneumoperitoneum during Laparoscopic Intervention;
- (b) New Generation Advanced Driver Assistance System;
- (c) Development of Total Environmental Solution for Leather Tannery Industry; and
- (d) Trial: Pedestrian Warning and Protection System.

VIII. Any Other Business

(A) Appointment of Mentors for ITF Projects

19. Members agreed to appoint Mr. Sunny Tan and Mrs. Katherine Ngan as the mentors of two newly approved ITF projects, respectively as follows:

- (a) Development of Low Cost Smartphone-based Optical Coherence Tomography (OCT) for Nondestructive and Contact Free Materials Analysis; and
- (b) Development of a Visible Light Photo-catalytic Antimicrobial & VOCs Removal Coating Using Upconversion Materials.

(B) Attendance Record

20. Members noted their attendance record in 2016 tabled at the meeting.

IX. Date of Next Meeting

21. It was agreed that the next meeting would be held on 15 November 2016 at 2:30pm.

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