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

Minutes of the 42nd Meeting of the
Business Development Committee held at 5:00p.m.
on Tuesday, 20 July 2010 in Conference Room 1,
2nd Floor, HKPC Building, 78 Tat Chee Avenue, Yau Yat Chuen, Kowloon

Present :   Chairman -   Dr. The Hon. Samson Tam Wai-ho, JP

              Members -   Dr. Cliff Chan Chok-ki
                                 Mr. Jimmy Kwok Chun-wah, MH, JP
                                 Mr. Andrew Lai, JP
                                 Mr. Tony Lam

Absent with Apologies :   Dr. Raymond Chan, JP
                                 Ir Daniel Cheng Man-chung, MH
                                 Mr. Lo Foo-cheung, JP

In attendance from HKPC :

  Mr. Edmund Sung   Director, Business Consulting
  Mr. Joseph Poon   Director, Technology Development
  Mr. Jonathan Ho   General Manager, Corporate Communications
  Mr. Alfonso Tam   Principal Consultant, Council Secretariat
  Ms. Miranda Yeap   Senior Consultant, Council Secretariat

Welcome

The Chairman welcomed Mr. Andrew Lai of ITC who attended the meeting for the first time.

Confirmation of Minutes (BDC 9/2010 Revised)

The Revised Minutes of the 41st Meeting held on 16 March 2010 had been circulated to Members and there were no further requests for amendments. The Revised Minutes were taken as read, confirmed and signed by the Chairman.

I. Report on Commercial Research and Development (CRD) (BDC 11/2010)

1.   Invited by the Chairman to report,   said that 4 more CRD projects had been completed since the last report to BDC in November 2009.   further reported that 7 CRD projects, being implemented as at March 2010, were scheduled for completion in 2010 and clarified that the percentage should read 30% instead of 21% in para.8 of the paper.

2.   reported that 2 projects relating to high efficiency LED general lighting technology had been successfully commercialized through the formation of a joint venture (JV) company.   Since its incorporation in February 2010, the JV had introduced the technology to companies and government departments in Hong Kong and the PRD.   It was also finalizing the sale of high efficiency LED advertising panels with a property management company. Separately,   reported that the BDC approved by circulation of paper on 14 July 2010 to commercialize an invisibLED lighting technology via a non-exclusive licensing arrangement.   Under the arrangement, the technology would be licensed to a local company in the lighting business.

II. New Business Initiative: Information Communications Technology (ICT) Strategy to Support Hong Kong Industry (BDC 12/2010)

5.   Invited by the Chairman to report,   informed Members that HKPC has revisited its ICT strategy and would pursue the strategy by the following 4 initiatives:

(A) Cloud Computing
6.   explained that cloud computing allowed internet-based computing without the need to invest in system set-up and maintenance.   Also, end-users were only required to "pay-per-use" for Cloud services, thus significantly lowering the upfront and on-going investments for end-users.   In

response to   enquiry,   responded that there were around 60 people in the HKPC's IT Industry Development Division generating about HK$40M of business.   To respond to the market situation, HKPC would put more emphasis to launch programs to help independent software vendors develop and migrate their solutions to a Cloud Platform.   This would necessitate the transfer of resources originally dedicated to traditional industries or standalone consultancies to cloud computing technologies.

7.   expressed that whilst people appreciated the benefits of cloud computing, they were generally worried about the possible loss of information in the process, thus security measures needed to be strengthened.   echoed   views and said that HKPC therefore spent its efforts helping the infrastructure vendor to strengthen its security measures whilst simultaneously providing confidence and assurance to the users.   This would be done via training to instill the knowledge and necessary information to the vendors.

8.   added that HKPC was in a position to be the middleman/bridge to partner with cloud providers to develop products and services and assist independent software vendors to become "cloud-enabled", with special emphasis on enhanced security.

(B) Knowledge Technology
9.   briefed Members that HKPC would provide SMEs with affordable intellectual capital management (ICM) solutions based on Open Source Software (OSS) and the latest "Web 2.0" social media technology for the sharing of business referrals, information and knowledge which were the key assets of an organization.   HKPC would also expand and integrate the existing and emerging business intelligence (BI) technology with the new mobile and social media technologies.

(C) VCreate
10.   informed Members that this initiative would be an industry support programme with a focus on assistance for the development of Hong Kong's digital content industry.   This initiative aimed to support the market, content, technology and talent development of SMEs in the Hong Kong digital content industry, an important sector in the Hong Kong creative industry. HKPC would also help the industry tap the necessary resources from the CreateSmart Initiative to meet their development needs.

(D) Green ICT

11.   said that HKPC would launch a Green ICT initiative by providing awareness and support services for ICT vendors and end users in environmental monitoring, environmental control operations as well as energy savings through applying ICT and leveraging on the environment services in HKPC.   suggested that the energy saving measures could be extended to cover the management of community halls under the Home Affairs Department.

12. In support of the 4 new initiatives, HKPC would also focus on its existing services in 3 core areas to help SMEs strengthen their competitiveness:

(i)   to create an "IT SummIT" platform to help SMEs upgrade and transform their operations using ICT applications, leveraging on HKPC's TURN and related programmes;

(ii)   to promote the increased adoption of OSS by SMEs and explore the application of ISS as a platform in other technology areas; and

(iii) to expand the IT security awareness and support services of the Hong Kong Computer Emergency Response Team Coordination Centre(HKCERT), via seminars jointly organized with OGCIO, to provide early warning and comprehensive security risk assessment to SMEs.

13. <u>Members</u> noted and endorsed the ICT support strategy which was intended to be a broad strategy for HKPC in the coming few years.

III. <u>New Business Initiative: Intellectual Capital Management (ICM)</u> (BDC 13/2010)

14. Invited by the Chairman to report,   briefed the meeting on HKPC's approach in providing ICM services. In brief, HKPC would provide consultancy services to enhance organizations' creative culture, codify their knowledge and turn it into ICs. The ICM consultancy approach would encompass all key intangible assets including human, structural and relationship capitals to support the development of innovative products and services.

15. In response to   enquiry,   recapitulated the services

provided by the Intellectual Property Department (IPD) of the HKSARG in ICM to raise the awareness of SMEs to ICM and to assist them in cultivating and managing their intellectual capital. In gist, IPD's two-year programme mainly provided free consultative hours for SMEs (maximum six hours each) for coming up with ICM report.

16. In respond to   enquiry,   confirmed that HKPC had been communicating with IPD frequently.   added that HKPC was well-positioned to provide a follow-up service for the ICM programme through a series of seminars to be organized with IPD in the second half of 2010. To encourage the SMEs to develop an ICM system, HKPC would promote its i-Exchange and i-library, value for money IT platforms for knowledge sharing, to all SMEs.

17. <u>Members</u> noted and endorsed the new ICM initiative.

IV. **Report on Projects for Government Funding Schemes (April – June 2010)** **(BDC 14/2010)**

18.   reported that during the period of April to June 2010, HKPC was involved in 4 newly approved projects, including projects funded by ITF, Professional Services Development Assistance Scheme, General Support Scheme of DesignSmart and CreateSmart schemes with total funding of $4.82M. In response to   ,   said that the performance was similar to that of last year.

19.   further enquired whether there was any seasonal trend for project applications.   said that there were at present 18 projects amounting to $46M involving different committees, and 11 more projects were being processed.   informed   that there were two rounds of approval respectively in May and November each year for ITF projects.

20. <u>Members</u> noted the report.

V. **Interim Performance Review of Completed ITF Projects** **(BDC 15/2010)**

21.   introduced the paper which contained the interim performance

review of the following two ITF projects which were completed within budget:

(a) Development of an Integrated Solution for Minimizing Pilling Problem of Casemere Knitwear; and

(b) Development of Automotive Headlamp System for LED Light Source.

22. Members noted the paper.

VI. Final Performance Review of Completed ITF Projects   (BDC 16/2010)

23.   introduced the paper which contained the final performance review of one 1TF project "Development of Microcellular Foam Injection Moulding Technology Incorporated with Co-Injection Technology for Producing High Quality and Value-Added Plastic Automotive Parts" which was completed within budget.   Members noted the paper.

VII. Any Other Business

(A) Terms of Reference of Business Development Committee

24.   reported that the Management has conducted a review of the Terms of Reference (TOR) of the Standing Committees and was satisfied that the TOR of the BDC had already sufficiently covered its major function to advise Council on the business development of HKPC in relation to its role in the changing business environment.   However, for the sake of clarity, the TOR of BDC would be amended to incorporate a recent decision of the Council for the BDC to review the HKPC Services Audit Statement annually and to recommend changes to the Statement for Council's decision.   The Management would seek the Council's agreement to this change at the next Council meeting held on 3 August 2010.   Members agreed to this course of action.

(B) Attendance Record of BDC Members

25. Members noted the attendance record in 2010 tabled at the meeting.

VIII. Date of Next Meeting

26. It was agreed that the date of the next meeting was scheduled for 2 November 2010 at 2:30pm.

27. There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned at 5:55pm.