

**Construction Industry Council**

**Committee on Construction Business Development**

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Meeting No. 004/23 of the Committee on Construction Business Development (the “Com-CBD”) for 2023 was held on Friday, 1 December 2023 at 2:30pm at the Board Room, 29/F, Tower 2, Enterprise Square Five (MegaBox), 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

|               |                |        |   |
|---------------|----------------|--------|---|
| Present       | : Rocky POON   | (LKP)  | Chairperson                                   |
|               | CHAN Kim-kwong | (KKCN) |   |
|               | Calvin CHAN    | (CaC)  |   |
|               | Marvin CHEN    | (MCh)  |   |
|               | CHEUNG Man-tim | (MTC)  |   |
|               | Conrad FUNG    | (KKF)  |   |
|               | Thomas HO      | (KnH)  |   |
|               | Barry SUM*     | (BSPT) |   |
|               | Simon WONG*    | (SWHW) |   |
|               | Andrew YOUNG   | (AYMC) |   |
| In Attendance | : Annisa NG    | (AaNg) | Representative of David LEUNG                 |
|               | Isaac LUM      | (IsLm) | Representative of Henry CHANG                 |
|               | Thomas HO      | (TH)   | Chairman                                      |
|               | Albert CHENG   | (CTN)  | Executive Director                            |
|               | Alex HO        | (AHKK) | Director – Industry Development               |
|               | Yan ZHOU       | (YZ)   | Assistant Director – Industry Development     |
|               | Timothy LEUNG  | (TLG)  | General Manager – Industry Development        |
|               | Gordon GUO     | (GoG)  | Senior Manager – Mainland Liaison Services    |
|               | Eric JIANG     | (EJ)   | Senior Manager – Industry Development         |
|               | Eros LAM*      | (ELLT) | Manager – Management Support                  |
|               | Michelle LEUNG | (MYWL) | Manager – Construction Business Development   |
|               | Liza LI*       | (LaL)  | Assistant Manager – Mainland Liaison Services |
|               | Bosco LEUNG    | (BLG)  | Assistant Manager –                           |

|           |                   |        |   |
|-----------|-------------------|--------|---|
|           | Joyce LEUNG       | (KYLg) | Construction Business<br>Development<br>Senior Officer II –<br>Construction Business<br>Development |
|           | Yoyo PAN*         | (YyP)  | Senior Officer II – Mainland<br>Liaison Services  |
|           | Faye GUAN*        | (FG)   | Senior Officer II – Mainland<br>Liaison Services  |
|           | Christy CHAN      | (NCC)  | Graduate Trainee  |
| Apologies | : David LEUNG     | (DvLg) | Prin AS (Works) 4 of<br>Development Bureau  |
|           | Henry CHANG       | (CYS)  | Ch Bldg Services Engr 2 of<br>Housing Department  |
|           | Louis LEE         | (LMHL) |   |
|           | J Scott MACKENZIE | (JSM)  |   |
|           | Eddy TSANG        | (TPC)  |   |
|           | WONG Ka-lung      | (KLWg) |   |
|           | Ivan FU           | (FI)   |   |

\* attended the meeting online via Microsoft Teams

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Prior to the commencement of the Meeting, LKP reminded Members to declare any potential or actual conflict of interest with item(s) to be discussed at the meeting. No declaration was received during the meeting.

#### **4.1 Confirmation of the Minutes of Meeting No. 003/23**

Members took note of the paper CIC/CBDML/M/003/23 and confirmed the minutes of Meeting No. 003/23.

#### **4.2 Matters Arising from the Last Meeting**

(a) Following the item 3.2 from the previous meeting regarding the Work Plan of Follow-up Actions for Recommendations of the Report of Study on Strategic Review for Uplifting Construction Capacity, it was reported under Agenda item 4.8.

(b) Following the item 3.3 from the previous meeting regarding the report on Study Tour to London 2023, TLG reported the current status of the government’s adoption of the New Engineering Contract (“NEC”) in the term contract. As the readiness of

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small and medium enterprises (“SMEs”) to adopt NEC in the government’s term contract may not be sufficient, they were encouraged to attend NEC4 Engineering and Construction Contract Project Manager Accreditation Courses, and webinars would be conducted by CIC to introduce the updates on NEC HK Edition to industry practitioners.

LKP was aware that the contractors in the RMAA field may not have enough accredited project managers to effectively manage the term contract adopting NEC. LKP proposed conducting surveys to gather information about the current state of readiness, in order to determine the necessary training for them.

TLG responded that the Committee on RMAA would conduct surveys to gather the necessary information and develop a comprehensive plan as a solution.

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TH acknowledged the positive status of NEC adoption but enquired about the training of SME/RMAA contractors. LKP also inquired about the availability of a Chinese version of NEC. In response, TLG explained that NEC was only available in English as it was developed by the Institution of Civil Engineers in the UK.

KKF clarified that the Hong Kong Construction Association (“HKCA”) has a Maintenance Committee under Building Committee. The committee has planned to organise sharing sessions where experienced members who have used NEC will share their knowledge with those who are new to NEC.

TH expressed concern regarding the adoption of NEC in the private sector considering the proven success of NEC implementation in the public sector. AYMC responded that the progress of NEC implementation in the private sector has been comparatively slow.

TH inquired the necessity of engaging in discussions with the Real Estate Development Associates (“REDA”) to promote the adoption of NEC in the private sector. LKP recommended CIC to communicate with REDA to promote the adoption of NEC for pilot projects in private sector.

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**4.3 Structural Changes on Construction Business Development**

TLG briefed Members on Paper CIC/CBD/P/013/23 regarding the structural changes on the committee on Construction Business Development.

TLG reported that it is considered that CBD and MLS have distinct duties and nature, while the workload of MLS has become increasingly significant over the years. Hence, it is recommended that Com-CBD & ML be split into two separate committees to enable a more focused development and implementation on the major tasks and objectives of the Mainland Liaison Services. These recommendations were discussed and endorsed at the Executive Committee (Com-EXE) meeting held on 15 September 2023 (Meeting No. 005/23) and finally approved at the Council Meeting held on 20 October 2023 (Meeting No. 005/23).

TLG also clarified that before the Com-MA officially operated, the progress update on the issues related to Mainland would be reported in the Com-CBD meeting.

Members acknowledged the structural changes on the Committee on Construction Business Development.

**4.4 Business Plan 2024 of Committee on Construction Business Development**

TLG briefed Members on Paper CIC/CBD/P/014/23 regarding the business plan 2024 of Committee on Construction Business Development. The business plan and the associated budget were endorsed by the Com-CBD & ML on 1 June 2023 and by the Com-EXE on 15 September 2023. Subsequently, it was further approved by the Council on 20 October 2023.

TLG emphasised that item 6 of the business plan was one of the initiatives outlined in the TCQ report. Com-CBD would conduct consultations with the industry practitioners to identify the existing available resources or gather any required data for inclusion in the digital platform. After collecting all the comments and feedback, a framework for the proposed integrated project digital platform would be formulated and was expected to be included in the 2025 budget.

MCh expressed the importance of all committees aligning with the theme of safety for the CIC and suggested the development of a

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programme similar to BEAM plus, which could serve as a standard in the market to identify reputable SMEs.

LKP responded that a workshop would be organised to invite all committee members to engage in brainstorming session, allowing for the exchange of ideas and insights specifically focused on the issue of safety.

Members acknowledged the business plan 2024 of Committee on Construction Business Development.

**4.5 CIC Outstanding Contractor Award 2024**

TLG briefed Members regarding an update on various aspects of the Outstanding Contract Award 2024. This included information on the date, venue, composition of the organising committee, details of the 1<sup>st</sup> organising committee meeting, proposed judging panel and the approved budget.

KnH inquired whether the fees for logistic and event production of the presentation ceremony were included in the HK\$1 million budget for the event venue. TLG responded that the total budget of HK\$4 million included all necessary items for the Outstanding Contractor Award 2024. TLG further explained that decisions regarding the prerequisite of safety records and the arrangements for the cocktail reception during the ceremony would be determined by the organising committee members in the organising committee meeting. Moreover, TLG emphasised that safety records were one of the assessment criteria for the award and the CIC reserves the right to disqualify any application if a significant incident had been reported within the six months prior to the presentation ceremony.

Members acknowledged the updates on the CIC Outstanding Contractor Award 2024.

**4.6 Progress Update on Task Force on Greater Bay Area**

GoG briefed Members on the progress of Task Force on Greater Bay Area. The GBA team had conducted twenty-eight visits and events throughout the year, including visits to companies such as BYD Company and the DaFang AI factory.

LKP enquired on three areas, including the planning to facilitate Hong Kong construction companies in connecting with companies

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in Greater Bay Area, the status of the GBA hub and feedback received from past participants on the signature courses on national affairs.

GoG and EJ responded that a systematic database would be established to facilitate contact between Hong Kong construction companies and companies in the Greater Bay Area. This database would be shared with industry practitioners in Hong Kong. Additionally, the development of the GBA hub was proposed to gather statistical data and support necessary business matching.

GoG also responded that the feedback from the participants was generally positive. However, GoG considered the organised outdoor field trip did not meet the expected standard. CTN replied that CIC should conduct a comprehensive post-course survey to gather feedback from participants. CTN also proposed that CIC should organise the outdoor activity by ourselves as we have experience in doing so.

KKCN expressed that the signature courses on national affairs is worth to join which could provide a valuable opportunity to gain a deeper understanding of China. After-study survey for the national study course would be conducted.

Members acknowledged the updates on the progress on Task Force on Greater Bay Area.

**4.7 Progress Update on Task Force on Review and Enhancement of Construction Contract Terms**

KKF briefed Members on the progress of the Task Force. The tender of the consultancy study was commenced on 17 October 2023 and the Inception Report and Detailed Work Programme were submitted on 31 October 2023.

The Inception Report was circulated for approval on 8 November 2023, resulting in 13 replies received for approving the report. Additionally, 24 comments from 6 members were received. The comments primarily focused on suggestions on areas of concern and pain points, and the forms of contract to be studied.

KKF also reported that the next Task Force meeting would be held in mid-December to invite the members to provide comments and approve the submitted Review Report which was expected to be submitted on 4 December 2023.

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LKP suggested that a powerpoint presentation should be prepared for reporting the progress of the Task Force in the next Com-CBD meeting. Additionally, the list of comments received has to be supplemented to the meeting minute as a post-meeting note for reference.

**4.8 Progress Update on the Follow-up Actions for Recommendations of the Report of Study on Strategic Review for Uplifting Construction Capacity**

TLG briefed Members that all the 16 initiatives aimed at uplifting construction capacity are ongoing. In order to introduce wider adoption of innovative technologies, the Secretariat has informed Arcadis - the consultant awarded for the consultancy study of construction contract terms to include questions about tendering procedures and mechanism to adopt innovation during engagement session following the Review Report. This would help gather information on the stakeholders' perspectives and current practices of the industry.

Regarding streamlining of statutory approval requirements, the CIC had received the formal response from the Development Bureau for the statutory requirement of various departments such as BD, EPD, EMSD, Lands Department, etc. Self-certification were accepted for some of the requirements and testings while others require further coordination with government departments to explore the possibilities for refinement.

LKP advised that the information in the summary table was very condensed and recommended supplementing to the meeting minutes as a post-meeting note for reference.

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KnH advised that lots of the items in the summary table are on-going items and suggested to specify the target completion date. TLG would like to emphasise that corresponding actions are responsible by various ID departments and they will be requested to provide more precise updates with reference to their 2024 business plans based on the approved budget.

LKP suggested to provide quantifiable progress and status updates for items applicable.

**4.9 Progress Update on 2023 Major KPIs**

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TLG briefed Members on the progress of 2023 Major KPIs.

TLG reported the three major KPIs including organising partnering workshops, developing reference material on key issue of SOPL together with organising briefing session and forming a task force on study on review and enhancement of construction contract terms were on track and expected to be completed within this year.

In relating to NEC issue, KnH inquired whether CIC will organise webinar to let practitioners on knowing and in promoting NEC Hong Kong edition launched in July 2023. AaNg advised that NEC HK Edition will apply in public works contracts in Q2 of 2024. CIC and the Development Bureau will collaborate to coordinate and organise webinars for stakeholders. LKP agreed with AaNg and emphasised the need in organising webinars and also workshops and enhanced the promotion for NEC Hong Kong Edition.

**4.10 Any Other Business**

**(a) Update on Security of Payment Legislation (SOPL)**

TLG briefed Members on the latest status of Security of Payment Legislation (SOPL). The CIC invited the Development Bureau for a briefing session to introduce the update details of SOPL to public bodies on 6 December 2023.

KnH inquired about the status of for the government's preparation of the code of practice. AaNg responded that the code of practice is in progress and expect to be readied in the early of next year.

**(b) Update on the Resumption of Brownfield Sites in Hong Kong**

TLG briefed Members on the update regarding the brownfield sites. Following the request for the detailed information on the brownfield land resumption, the Development Bureau responded that the specific timetable and resumption boundary will be disclosed when relevant project scheme is published.

The data related to the area of brownfield land to be resumed and the projected additional land area required for various



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operational purpose by the industry until year 2026 have been collected through a stakeholders' survey conducted in November 2023. This information was presented to Members.

CTN raised the point that CIC will extend the stakeholders' survey and compile specific land requirement for temporary storage of material and equipment, warehouse, workshop, etc. in 2024 so as to advise the Development Bureau about the necessary land reservations needed by the construction industry.

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**(c) Review on the issue of the quality of cable trunking coating materials**

LKP briefed Members with an update on the issue concerning the quality of cable trunking coating materials. An Ad-hoc meeting had been held recently among the Development Bureau, HKFEMC and CIC to discuss the remedial measures and potential enhancements for the inspection and acceptance procedures.

**(d) Proposal for the merger of the Committee on Construction Business Development and the Committee on Productivity**

TLG briefed Members for the proposal for the merger of the Committee on Construction Business Development (Com-CBD) and the Committee on Productivity (Com-PRO). Referring to item 4.3 of the structural change of Committee on Construction Business Development, considering that the term of reference of the Greater Bay Area under Com-CBD shall be migrated to the new Committee on Mainland Affairs and with a view to creating synergies by merging of Com-CBD and Com-PRO, it could enable a more comprehensive and coordinated approach to continuously improving productivity, fostering business development and driving positive change in the construction industry. This proposal had been endorsed in the Com-EXE meeting held on 17 November 2023 and subject to the final approval in the Council meeting to be held on 15 December 2023.

**(e) Heartfelt Thank You**

CTN on behalf of the Committee to express gratitude and extend a heartfelt thank you to the Chairperson, Mr. Rocky POON, for his invaluable services and significant

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contributions to the Committee. Furthermore, CTN and LKP would like to express their appreciation to Committee Member Mr. CHAN Kim-kwong and Mr. Simon WONG for their dedicated services and valuable contributions to the Committee. AaNg representing the Development Bureau also expressed sincere appreciation to Mr. Rocky POON for his unwavering support and valuable contributions to the committee.

**(f) Safety**

TH expressed disappointment in the industry's safety performance in 2023. TH proposed that all committees in CIC prioritise safety as their top concern. Furthermore, TH suggested designating the year 2024 as the "Year of Safety" and organising a forum to gather industry views on actions to enhance the safety culture. Furthermore, TH requested that committee members share their point of view on strategies to improve the quality of safety management.

KKF shared that HKCA had conducted a meeting with two other construction associations to address safety concerns. The purpose of the meeting was to discuss strategies for enhancing safety awareness within the industry. KKF further mentioned that HKCA and HKICM were organising a safety course specifically designed for the frontline supervisors. The objective of this course is to enhance their knowledge and awareness of safety practices. KKF also mentioned that a draft report outlining the course details is expected to be completed by December 2023 and would be distributed after receiving the comments from other industry stakeholders.

MTC shared that they consistently held morning briefing sessions with their workers to address daily safety issues. MTC also mentioned their proactive approach to motivate sub-contractors to enhance safety management through the adoption of digital solutions or tools and to apply for monetary support from the Construction Innovation and Technology Fund ("CITF").

CTN replied that a meeting had been arranged with small and medium developers to discuss safety issues. Three strategic approaches were proposed. Firstly, CIC would develop a set of standard specifications for 4S to assist SME developers in incorporating them into their procurement documents.

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Secondly, a designated 4S specification would be produced specifically for high-risk construction work areas, such as hoisting works. Lastly, the sponsorship provided by the CITF for 4S would be reviewed, and a tailored CITF application procedure would be developed to expedite contractors' adoption of 4S practices.

KnH enquired about the status of the large developers. CTN replied that a discussion session was held with the REDA, it was confirmed that seven to eight large developers have expressed their commitment to fully adopting 4S practices in some of their projects.

MCh expressed that allocating responsibility is an effective method to ensure all parties involved in a construction project take safety seriously. KKCN also expressed the benefits of adopting 4S and artificial intelligence technologies in enhancing safety management, and suggested implementing a reporting approach to encourage workers to promptly report any hazardous safety situations they observe.

CTN responded that the Committee on Construction Business Development should focus on its terms of reference, particularly in developing a favourable industry business environment related to procurement procedures and contract terms implementation. CTN further suggested organising a workshop to gather ideas and insights from the committee members. MCh suggested that separate discussions should be arranged for civil projects and building projects due to their slight differences in nature. CTN also proposed that the discussion could include exploring how the determination of construction periods can contribute to improving safety standards.

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**4.11 Next Meeting**

The next meeting was scheduled for 14 March 2024 (Thursday) at 2:30pm at Board Room, 29/F, Tower 2, Enterprise Square Five (MegaBox), 38 Wang Chiu Road, Kowloon Bay.

**All to Note**

There being no other business, the meeting was adjourned at 5:30pm.

**CIC Secretariat  
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