

**SME Development Fund (SDF)/
Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)
(Organisation Support Programme) (OSP)**

Final Report on Approved Project

This report is for (please put "√" in either one box only):

SDF Final Report

BUD Fund (OSP) Final Report

Project ref. no. : BUD 13 4 001
Project title : To promote the image of "Quality Supplier" for Hong
Kong metal merchants and establish effective sales
channels on the Mainland for capturing the domestic
market
Period covered : From 1 July 2014 to 30 June 2016
(dd/mm/yy) (dd/mm/yy)

1. Project Details

(Please mark with "*" if any of the following project details is different from that in the project proposal appended to the project agreement.)

Project Summary (in about 150 words)

Hong Kong metal merchants have been engaging in sourcing and providing high quality metal hardware to industries including manufacturing, construction and building, etc. Most of them have high quality image and strong sales network in Hong Kong and Macau since the last century. For example, they supplied a wide variety of metals such as ferrite and non-ferrite metals for the construction of the New Government Headquarters of the HKSAR and the major hotels in Macau. However, they seldom supply metal hardware to companies in PRC as the local companies consider that price is the top concern among quality and after sales service which is different from the business value of most Hong Kong metal merchants that quality and international standard compliance of the metals supply are paramount important factors.

In recent years, the shoddy construction in Mainland China arouses the public awareness of construction safety and using high quality construction metal hardware. Moreover, in view of the growing economy of PRC and the shifting of paradigm from price to reliability and quality, the demand on high quality metal hardware is increasing. Many Hong Kong metal merchants are looking for establishing their sales channels in the domestic market. According to the "China Statistical Yearbook 2012" compiled by National Bureau of Statistics of China (<http://www.stats.gov.cn/tjsj/ndsj/2012/indexce.htm>), China's Gross Industrial Output Value was RMB84,426 billion wherein the Gross Industrial Output Value for the metal product industry sector had already contributed RMB2,335 billion. If Hong Kong metal merchants could seize the opportunities to capture even 1% of the Gross Industrial Output Value in the metal product industry sector, the potential domestic business would be RMB23.35 billion per annum.

However, most Hong Kong metal merchants are SMEs and are in the infant stage in the domestic market development. The existing market reports on metal hardware in China are rather general and only cover basic statistics. The critical information on potential customers, buying habits, supplier selection and approval process are not available. They lack useful information, knowledge and exposure to develop the domestic market. Indeed, they lack resources and capability of building up their image and creating sales channels. In this project, local metal merchants will be allied to build the image of "Quality Supplier" which representing good record in quality, committed price, delivery, after-sales-service and complying with international quality standards. Through a series of marketing and promotion activities with strong emphasis on the quality and standard compliance of the supplied metal, the public recognition of the quality image of Hong Kong metal merchants can be enhanced.

Project Objective(s) (in about 80 words)

- To boost the public recognition of the "Quality Supplier" representing Hong Kong metal merchants as a whole through producing videos and scaled-down demonstrable units to showcase the quality, international standard compliance, manufacturing, testing of metals, traceability of product conformance supplied or imported by Hong Kong metal merchants as well as the innovative application of metal hardware for the three targeted industries (i.e. metal products, automotive parts and transportation equipment manufacturing, building and construction industries) in Mainland China.
- To better understand the domestic metal hardware market characteristics by conducting a market analysis on metal hardware so as to understand the market size, target customers, buying habits, sales strategy, approval process, and sales channels, etc. for the three targeted industries in Mainland China. To upgrade the logistics management and domestic market development knowledge of the Hong Kong metal merchants in the scope of contemporary logistics management and regulatory requirements of metal hardware trading in Mainland China.
- To develop domestic market and establish sales channels for the Hong Kong metal merchants by promoting the image of "Quality Supplier" for Hong Kong metal merchants on the Mainland via a series of marketing and awareness campaigns including seminars, advertisement, business and technology matching meetings, and business-to-business (B2B) exhibitions

Grantee/Collaborating Organisation/Implementation Agent

Grantee	:	<u>Hong Kong Metal Merchants Association</u>
Collaborating Organisation(s)	:	<u>1. Hong Kong Federation of Innovation Technologies and Manufacturing Industries</u>
		<u>2. Hong Kong Metals Manufacturers Association</u>
		<u>3. Hong Kong Metal Finishing Society</u>
		<u>4. Hong Kong Mould and Product Technology Association</u>
		<u>5. Hong Kong Screw & Fastener Council</u>
		<u>6. Hong Kong Electro-Plating Merchants Association</u>
		<u>7. Hong Kong Diecasting & Foundry Association</u>
		<u>8. Hong Kong SME Development Federation Ltd.</u>
		<u>9. Hong Kong Plastic Machinery Association</u>
		<u>10. Hong Kong Critical Components Manufacturers Association</u>
		<u>11. Hong Kong Auto Parts Industry Association</u>
		<u>12. Hong Kong Trade Development Council</u>
Implementation Agent(s)	:	<u>Hong Kong Productivity Council</u>

Key Personnel

	<u>Name</u>	<u>Company/Organisation</u>	<u>Tel No. & Fax No.</u>
Project Co-ordinator	<u>Hung Yen, Lui</u>	<u>Hong Kong Metal Merchants Association</u>	<u>2376 2985/ 2376 2402</u>
Deputy Project Co-ordinator	<u>Hin Fai, Lai</u>	<u>Hong Kong Metal Merchants Association</u>	<u>2376 2985/ 2376 2402</u>

Project Period

	<u>Commencement Date</u> (day/month/year)	<u>Completion Date</u> (day/month/year)	<u>Project Duration</u> (No. of months)
As stated in project agreement	<u>01 Jul 2014</u>	<u>30 Jun 2016</u>	<u>24 Months</u>
Revised (if applicable)	<u></u>	<u></u>	<u></u>

2. Summary of Project Results

Project Deliverables

(Please list out the project deliverables as stated in the project proposal appended to the project agreement and provide details related to the actual result achieved for each of them.)

	Project deliverable	Quantifiable target number (e.g. 100 participants)	Actual result achieved (e.g. 90 participants)	Reasons for not achieving the target, if applicable (e.g. The total number of registered participants was over 120. However, some of them did not show up eventually. Will strengthen promotion and try to make up for the shortfall in the following two seminars.)
a)	Market Analysis	1 time	1 time	N.A.
b)	Promotional Videos	2 full versions (each 20 minutes) and 2 condensed versions (each 3 minutes)	2 full versions (each 20 minutes) and 2 condensed versions (each 3 minutes)	N.A.
c)	Promotional Leaflets to promote the image of “Quality Supplier” of Hong Kong Metal Merchants	5,000 copies	5,000 copies	N.A.
d)	Advertisements in industry journals and newspapers to promote the image of “Quality Supplier” of Hong Kong Metal Merchants	6 times	6 times	N.A.
e)	Seminars on management upgrading and domestic market development	5 times for total 300 participants	5 times for total 333 participants	N.A.
f)	Promotional materials for seminars	For each of the 5 seminars: - leaflets	For each of the 5 seminars: - 500 copies (for the 1 st , 2 nd , 4 th and 5 th seminar) - 700 copies (for the 3 rd seminar)	N.A.
g)	Business matching sessions in South, East and Northeast China	5 times for total 100 enterprises	5 times for total 105 enterprises	N.A.
h)	Promotional materials for business matching sessions	For each of the 5 business matching sessions: - leaflets - posters - booklets	For each of the 5 business matching sessions: - leaflets (500 copies for each session) - posters (100 copies for each session)	N.A.

			- booklets (400 copies for each session)	
i)	Advertisements in Mainland newspapers and industry magazines to promote the business matching sessions	5 times	5 times	N.A.
j)	Hong Kong Pavilions	2 pavilions (220 sqm each with 3,000 visitors in total)	2 pavilions 1 st Pavilion in 220 sqm with 3,108 visitors 2 nd Pavilion in 220 sqm with 3,212 visitors	N.A.
k)	Promotional materials for Hong Kong Pavilion	For each of the 2 Pavilions: - leaflets - posters - booklets	For each of the 2 Pavilions: - leaflets (1,000 copies for the 1 st Pavilion, 1,400 copies for the 2 nd Pavilion) - posters (100 copies for each Pavilion) - booklets (400 copies for each Pavilion)	N.A.
l)	Advertisements in Mainland newspaper and industry magazines to promote the Hong Kong Pavilions	5 times	5 times	N.A.
m)	Industry guidance manual	1 copy in electronic version	1 copy in electronic version	N.A.

Details of the deliverables (e.g. date, duration, venue, speaker, topic discussed, etc.)

(Please list out in table format if necessary.)

a) Market Analysis (Completion Date: 25 Feb 2015)

- To conduct market analysis on metal hardware domestic market characteristics for the targeted industry sectors of metal products, automotive parts and transportation equipment manufacturing, building and construction industries.
- 2 questionnaires was developed for both Hong Kong and Mainland enterprises.
- The analysis results was summarized in the industry guidance manual and uploaded in the applicant's website for reference.

http://www.hkmma.hk/index.php?option=com_k2&view=item&id=113:%01%02%03%04%05%06%07%08%09%A6%99%E6%B8%AF%E4%BA%94%E9%87%91%E8%A1%8C%E6%A5%AD%E6%8B%93%E5%B1%95%E5%85%A7%E9%8A%B7%E5%B0%88%E7%94%A8%E6%8C%87%E5%BC%95&Itemid=97

b) Promotional Videos

- 1 full promotional video (20 minutes) and 1 condensed version (3 minutes) with marketing promotion perspective were produced.
- 1 full promotional video (20 minutes) and 1 condensed version (3 minutes) with technical education perspective were produced.
- Completion Date: 30 Mar 2015

c) Promotional Leaflets to promote the image of "Quality Supplier" of Hong Kong Metal Merchants

- 5,000 copies of promotional leaflets were designed and printed.
- The leaflets were disseminated in the events of 5 seminars, 5 sessions of business matching and 2 exhibitions.
- Completion Date: 02 Feb 2015

d) Advertisements in industry journals and newspapers to promote the image of "Quality Supplier" of Hong Kong Metal Merchants

#	Issues	Name of Industry Journal/ Magazine
1	Mar 2015	金屬加工世界 (雙月刊)
2	June 2015	五金鍍金與沖壓 (雙月刊)
3	July 2015	金屬加工世界 (雙月刊)
4	Aug 2015	五金鍍金與沖壓 (雙月刊)
5	Nov 2015	金屬加工世界 (雙月刊)
6	Mar 2016	金屬加工世界 (雙月刊)

e) Seminars on management upgrading and domestic market development

Seminar 1:

Date & Time	3 Feb 2015, 15:30-17:00	Participants	67
Title	進口鋼材保稅政策調整研討會	Venue	HKPC Building, Lecture Theatre
Topic 1	取消加工貿易項下進口鋼材保稅政策之內容及要點		
Speaker	中聯辦經濟部貿易處投資組處長王剛先生		
Topic 2	取消加工貿易項下進口鋼材保稅政策對五金行業之影響		
Speakers	香港五金商業總會監事長 黎顯輝先生 香港五金商業總會理事長 雷鴻仁先生		

Seminar 2:

Date & Time	9 Jun 2015, 15:30-17:30	Participants	116
Title	3D打印技術於五金行業的應用及發展	Venue	HKPC Building, Lecture Theatre
Topic 1	利用3D金屬打印技術製造隨型冷卻模具及關鍵性零部件		
Speaker	香港生產力促進局材料及製造科技部顧問陳偉倫博士		
Topic 2	3D打印技術與裝備在國內的應用及發展		
Speaker	華南理工大學機械與汽車工程學院教授兼博士生導師 楊永強教授		

Seminar 3:

Date & Time	19 Sep 2015, 16:30-17:45	Participants	59
Title	運用大數據開拓中國內銷市場提升業務優勢	Venue	尖沙咀The One 煌府皓月廳
Topic 1	運用大資料發掘中國市場新機遇		
Speaker	信報財經月刊專欄作家黃淑儀博士		
Topic 2	國際五金市場發展		
Speakers	馬來西亞鋼材五金商會黃漢川會長 菲律賓鐵商公會楊長江副理事長		

Seminar 4:

Date & Time	8 Dec 2015, 15:00-18:00	Participants	56
Title	建築五金於國內市場的最新發展	Venue	HKPC Building, Lecture Theatre
Topic 1	環保建築五金材料的應用		
Speaker	香港城市大學科學及工程學院，建築學及土木工程學系梁以德教授		
Topic 2	門窗五金系統與建築節能環保		
Speaker	Roto諾托·弗朗克建築五金（北京）有限公司 總工程師 河紅先生		
Topic 3	中國建築五金面對的挑戰及香港企業扮演的角色		
Speaker	亞太門窗五金協會主席 詹礎瑜先生		
Topic 4	進軍國內市場五金產品需要符合的國內認證		
Speaker	安朗傑公司全球高級副總裁、兼亞太區總裁余鋒先生		

Seminar 5:

Date & Time	15 Mar 2016, 14:30-16:30	Participants	35
Title	汽車五金市場政策及零部件自動化生產 研討會	Venue	Miramar Hotel, Function Room 2-3
Topic 1	內地汽車用鋼材板材的進出口貿易及相關產業政策		
Speaker	我的鋼鐵網研究中心諮詢部經理及高級研究員王蓓女士		
Topic 2	自動化生產於汽車五金零部件的應用		
Speaker	香港生產力促進局自動化科技部顧問陳家榮先生 (Note: Due to unavailability of Dr GE Ming, there is a last minute change of speaker. Mr Chan is from the same team of Dr Ge and is also an expert in automation technology.)		

f) Promotional materials for seminars

- The following promotional materials were designed and printed for the seminars.

#	Promotional Materials	Seminar	No. of Copies
1	Leaflets	進口鋼材保稅政策調整研討會	500
2	Leaflets	3D打印技術於五金行業的應用及發展	500
3	Leaflets	運用大數據開拓中國內銷市場提升業務優勢	700 Note: HKMMA had reached out more channels for promoting the 3 rd seminar. Extra copies were printed.
4	Leaflets	建築五金於國內市場的最新發展	500
5	Leaflets	汽車五金市場政策及零部件自動化生產	500

g) Business matching sessions in South, East and Northeast China

- The following business matching sessions were held in China.

Business Matching 1:

Date & Time	2 Apr 2015, 15:00-17:00	No. of Enterprises	23
Location	Shanghai	Venue	國家會展中心 (虹橋) 會議室 M1- 02

Business Matching 2:

Date & Time	8 Sep 2015, 10:30-13:30	No. of Enterprises	20
Location	Foshan	Venue	順德家電商會會址 佛山市順德區大良中區馬地街2號新基商廈

Business Matching 3:

Date & Time	8 Sep 2015, 14:30-17:00	No. of Enterprises	22
Location	Guangzhou	Venue	廣州市花城大道85號高德置地A座33樓

Business Matching 4:

Date & Time	9 Sep 2015, 09:30-12:00	No. of Enterprises	19
Location	Guangzhou, Huadu	Venue	廣州市花都區貿促會會址(廣州市花都區新華街松園路)

Business Matching 5:

Date & Time	13 May 2016, 09:30-16:30 14 May 2016, 09:30-12:00	No. of Enterprises	21
Location	Dalian	Venue	大連星海會議展覽中心

h) Promotional Leaflets for the business matching

- Total 2,500 copies of promotional leaflets were designed and printed.

#	No. of Copies	Business Matching Session
1	500	1 st Business Matching Session in Shanghai
2	500	2 nd Business Matching Session in Foshan
3	500	3 rd Business Matching Session in Guangzhou
4	500	4 th Business Matching Session in Huadu
5	500	5 th Business Matching Session in Dalian

i) Promotional posters for business matching

- Total 500 copies of promotional posters were designed and printed.

#	No. of Copies	Business Matching Session
1	100	1 st Business Matching Session in Shanghai
2	100	2 nd Business Matching Session in Foshan
3	100	3 rd Business Matching Session in Guangzhou
4	100	4 th Business Matching Session in Huadu
5	100	5 th Business Matching Session in Dalian

j) Promotional booklets for business matching

- Total 2,400 copies of promotional booklets were designed and printed.

#	No. of Copies	Business Matching Session
1	400	1 st Business Matching Session in Shanghai
2	400	2 nd Business Matching Session in Foshan
3	400	3 rd Business Matching Session in Guangzhou
4	400	4 th Business Matching Session in Huadu
5	800	5 th Business Matching Session in Dalian Note: HKMMA had reached out more channels for promoting the 5 th business matching session. Extra copies were printed.

k) Advertisements in Mainland newspapers and industry magazines to promote the business matching

#	Issues	Name of Industry Journal/ Magazine
1	Feb 2015	五金鍍金與沖壓（雙月刊）
2	Apr 2015	五金鍍金與沖壓（雙月刊）
3	Jul 2015	金屬加工世界（雙月刊）
4	Sep 2015	金屬加工世界（雙月刊）
5	Feb 2016	五金鍍金與沖壓（雙月刊）

l) Hong Kong Pavilions

- Setup of 2 Hong Kong Pavilions in Shanghai and Dongguan.

#	Date	Name of Exhibitions
1	31 Mar 2015 – 3 Apr 2015	第十五屆中國國際冶金工業展覽會 Size of Pavilion: 220 square meter Venue: 中國上海國家會展中心（虹橋）一號館 1AJ02
2	18 Nov 2015 – 21 Nov 2015	第十七屆東莞國際模具及金屬加工展覽會 Size of Pavilion: 220 square meter Venue: 中國東莞廣東現代國際展覽中心 7號館 7F01

m) Promotional leaflets for Hong Kong Pavilion

- Total 2,400 copies of promotional booklets were designed and printed.

#	No. of Copies	Hong Kong Pavilion
1	1,000	Hong Kong Pavilion in 第十五屆中國國際冶金工業展覽會
2	1,400	Hong Kong Pavilion in 第十七屆東莞國際模具及金屬加工展覽會 Note: HKMMA had reached out more channels for promoting the 2 nd Hong Kong Pavilion. Extra copies were printed.

n) Promotional Posters for Hong Kong Pavilion

- Total 200 copies of promotional posters were designed and printed

#	No. of Copies	Hong Kong Pavilion
1	100	Hong Kong Pavilion in 第十五屆中國國際冶金工業展覽會
2	100	Hong Kong Pavilion in 第十七屆東莞國際模具及金屬加工展覽會

o) Promotional Booklets for Hong Kong Pavilion

- Total 800 copies of promotional booklets were designed and printed

#	No. of Copies	Hong Kong Pavilion
1	400	Hong Kong Pavilion in 第十五屆中國國際冶金工業展覽會
2	400	Hong Kong Pavilion in 第十七屆東莞國際模具及金屬加工展覽會

p) Advertisements in Mainland newspapers and industry magazines to promote the Hong Kong Pavilions

#	Issues	Name of Industry Journal/ Magazine
1	Feb 2015	中國冶金
2	Feb 2015	五金鍍金與沖壓（雙月刊）
3	Sep 2015	金屬加工世界（雙月刊）
4	Oct 2015	中國冶金
5	Oct 2015	五金鍍金與沖壓（雙月刊）

q) Industry guidance manual

- An electronic version of industry guidance manual was developed to summarize the results and findings of the market analysis. It covers the application of metal hardware, quality standards, buyers purchasing habits and effective domestic sales channels of the targeted industries.

- The industry guidance manual was uploaded onto HKMMA's official website and free for the entire Hong Kong industries downloading.

- Completion Date: 28 June 2016

- http://www.hkmma.hk/index.php?option=com_k2&view=item&id=113:%01%02%03%04%05%06%07%08%E9%A6%99%E6%B8%AF%E4%BA%94%E9%87%91%E8%A1%8C%E6%A5%AD%E6%8B%93%E5%B1%95%E5%85%A7%E9%8A%B7%E5%B0%88%E7%94%A8%E6%8C%87%E5%BC%95&Itemid=97

Milestones (in chronological order)

(# Please indicate if the milestone is completed (C), deferred (D) or not achieved (N). If it is deferred, please indicate the revised completion date. For those milestones which are deferred or not achieved, please also provide the reasons under item 2.4.)

<u>Milestone</u> (as set out in the approved project proposal appended to the project agreement)	<u>Original target completion date</u>	<u>Revised completion date</u> (if applicable)	<u>Status</u> (C/D/N) #
(a) - Form working team committee - Formulate detailed implementation plan	30 Sep 2014		C
(b) - Conduct market analysis study for the targeted industries - Identify strategic partners in the Mainland to provide professional advice on domestic market development	28 Feb 2015		C
(c) - Develop 2 promotional videos and 5,000 copies of leaflet to promote the integrity and technical conformance of Hong Kong Metal Merchants	31 Mar 2015		C
(d) - Advertise 6 times in newspapers and/or industry magazines in the Mainland	28 Feb 2016		D
(e) - Organize 5 management upgrading and domestic market development seminars in Hong Kong	28 Feb 2016		D
(f) - Organize 5 business matching sessions in Mainland China	28 Feb 2016		D
(g) - Organize 2 Hong Kong Pavilion in the Mainland exhibitions	28 Feb 2016		C
(h) - Design and develop electronic version of Industry Guidance Manual	1 May 2016		D
(i) - Complete project report	30 Jun 2016		D

Future Plan for Promoting the Project Deliverables (Nil if not applicable)

N.A.
