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F.C. 3/2013 (Revised)

**Revised Minutes of the 47<sup>th</sup> Meeting of the Finance Committee  
held at 2:30p.m. on Tuesday, 19 March 2013  
in the Board Room, 2<sup>nd</sup> Floor, HKPC Building  
78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

**Present** : Chairman - Mr. Victor Ng, MH  
Members - Mr. Adolph Leung, JP  
(representing Mrs. Helen Chan, JP)  
Mrs. Agnes Mak Tang Pik-yee, MH, JP  
Dr. David Ng  
Dr. Dennis Ng, MH  
Mr. Frank Tsang

**Absent with Apologies** : Mr. Clement Chen, BBS, JP

**In attendance from HKPC** :

Mr. Leo Lam	Director, Business Innovation
Mr. Tony Lam	Director, Corporate Services
Mr. Joseph Poon	Director, Technology Development
Mr. Edmond Che	General Manager, Finance and Procurement
Mr. Jonathan Ho	General Manager, Corporate Communications
Mr. Alfonso Tam	Chief Manager, Council Secretariat
Ms. Miranda Yeap	Senior Manager, Council Secretariat

**Confirmation of Minutes (F.C. 15/2012 Revised)**

The Revised Minutes of the 46<sup>th</sup> Meeting of the Finance Committee held on 20 November 2012 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. Financial Performance of HKPC for the First Three Quarters of 2012/13 (April – December 2012) (F.C. 1/2013)**

1. Invited by the Chairman to brief Members, reported

that for the first three quarters of 2012/13, HKPC's total fee income was \$252.7M, which was less than the budget by HK\$7.2M or 2.8%. Total expenditure for the same period was HK\$262.9M, or 9.3% less than the budget, mainly due to savings in staff emoluments and capital expenditure. Total surplus for April to December 2012 amounted to HK\$21.4M.

2.                    said that the total fee income as at end February 2013 was \$322M and that the budgeted income target for 2012/13 should be achievable. It was anticipated that the surplus for the year might ultimately be in the region of around \$13-14M.

3. In response to                    enquiry as to whether the fluctuation in project expenses from month to month was a problem of the cut-off time,                    said that whilst different divisions had different business patterns, the concept of taking project income according to project progress and adherence to project estimate was still a long educational process. It was hoped that with the upcoming implementation of the ERP system, the process of project management would start afresh and commence at the initial stage of procurement to allow constant and accurate updates.

4. In response to                    enquiry,                    said that the higher value added percentage of the corporate services branch was largely a result of the notional rent paid by divisions to the corporate. That figure alone did not have bearing on the overall performance of the Council given that notional rent within a branch would be offset at the Council level.

5. Continuing,                    said that the order on hand for the coming financial year was to the order of \$368M which reflected a reasonably healthy pipeline. Separately,                    went on to report that the Automotive Parts and Accessory Systems R&D Centre (APAS) had merged with HKPC since 1 November 2012. Its actual expenditure for the period November to December 2012 was \$2.2M. As the APAS project was basically 100% funded by the Government, it had no bearing on the surplus situation of the Council.

6.                    reported that the provision for staff annual leave was reduced by 13% to HK\$18.7M in December 2012 compared to a year ago. During the same period, the number of staff annual leave days with financial implication had also been reduced by 14%, from 11,910 to 10,240.                    commended the HKPC Management for successfully reducing the aggregate leave balance.

