

**Revised Minutes of the 69<sup>th</sup> Meeting of the  
Finance Committee of the  
Hong Kong Productivity Council  
held at 4:30p.m. on Tuesday, 21 July 2020  
via Microsoft Teams**

**Present** : Chairman - Mr. Wilson Fung Ying-wai

Members - Mr. Mohamed D. Butt  
Prof. John Chai Yat-chiu, JP  
Miss Kathy Chan Nap-sze  
(Assistant Commissioner for  
Innovation and Technology (Funding  
Schemes), representing Ms. Rebecca  
Pun, JP, Commissioner for Innovation  
and Technology)  
Ms. Joyce Cheung Chung-sze  
(Principal Economist, representing Mr.  
Andrew Au, JP, Government  
Economist)  
Mr. Felix Chow Bok-hin  
Mr. Marvin Hsu Tsun-fai  
Ms. Karmen Yeung Ka-yin

**In Attendance from HKPC :**

Dr. Lawrence Cheung	Chief Innovation Officer
Mr. Edmond Lai	Chief Digital Officer
Ms. Vivian Lin	Chief Financial Officer
Ms. Eliza Ng	Chief People & Culture Officer
Ms. Gillian Luk	Senior Manager, Council Secretariat
Mr. Nelson Wong	Manager, Council Secretariat

## **Special Arrangement for the Meeting**

The Chairman said that in light of the coronavirus outbreak, the Finance Committee (FC) meeting was held via Microsoft Teams application. He thanked Members for joining the meeting and their support of the special arrangement.

## **Declaration of Interest**

The Chairman reminded Members to declare interest should they observe any direct/pecuniary interest in any matter to be discussed at the meeting.

### **I. Confirmation of Minutes (F.C. 8/2020 Revised)**

1. The Revised Draft Minutes of the 68<sup>th</sup> FC Meeting held on 17 March 2020 had been circulated to Members and there were no further requests for amendments. The Minutes were taken as read and confirmed and the Secretariat would arrange signing of the Minutes by the Chairman.

### **II. Annual Accounts for the Year 2019/20 (F.C. 9/2020)**

2. Invited by the Chairman, introduced the paper and briefed Members on the financial performance of HKPC, excluding Automotive Platforms and Application Systems R&D Centre (APAS), in 2019/20. said that external income reached \$464.7M, exceeding budget by 4.9%. The higher income was mainly contributed by the strong performance in the Industry 4.0 business. Value added during the year was \$280.2M, which was 8.1% over budget. On the expenditure side, total expenditure was \$446.3M, or 5.0% below budget. Staff emoluments were below budget by 4.4% due to staff turnover and mix of staff grades. Other operating expenses was 7.6% less than the budget, contributed by lower printing and stationary expenses, building running costs and staff development expenses. Depreciation on fixed assets was below budget by 7.6% due to delay in capital expenditure spending. Overall, a surplus of \$50.1M was achieved for 2019/20.

3. Members agreed to endorse for the Council's approval the annual accounts for 2019/20 which was reviewed by the Audit Committee at its 53<sup>rd</sup> meeting held on 14 July 2020 with no adverse comment.

### **III. Revised Programme & Estimates of HKPC for 2020/21 (F.C. 10/2020)**

4. Invited by the Chairman, introduced the background to the paper. said that the Council approved by circulation vide paper P.C. 16/2020 on 25 April 2020 a proposal to increase the staff establishment of HKPC for 2020/21 from 662 to 739 in order to cater to the increasing involvement of HKPC in secretariat and special projects in support of Government policies.

7. After discussion, Members endorsed for the Council's approval the revised Programme and Estimates of HKPC for 2020/21.

### **IV. Pricing Policy for Projects Funded by Innovation and Technology Fund for Better Living (F.C. 11/2020)**

8. Invited by the Chairman, introduced the paper which proposed to amend the pricing policy of HKPC for projects funded by the Innovation and Technology Fund for Better Living (FBL) administered by the Innovation and Technology Bureau (ITB).

12. After discussion, Members endorsed for Council's approval the proposal to amend the pricing policy of HKPC

### **V. Update on Follow-up Actions on Reports to Director of Audit and Public Accounts Committee of Legislative Council on HKPC (F.C. 12/2020)**

13. Members noted a report by on the follow-up actions on the Reports of Director of Audit and Public Accounts Committee (PAC) of Legislative Council on HKPC.

### **VI. Financial Performance of HKPC for the First Quarter of 2020/21 (April – June 2020) (F.C. 13/2020)**

14. Invited by the Chairman, introduced the paper which set out the financial performance of HKPC, excluding APAS, for the period from April to June 2020. said that external income was \$126M, which was 11.5% over budget. In line with the higher external income over budget, value added was more than the budget by \$4.2M or 6.3%. The strong growth compared to the same period last year was mainly contributed by projects for Industry 4.0 and secretariat services.

15. said that on the expenditure side, the total expenditure was \$115.4M, which was 3.1% less than the budget. The higher staff emoluments over budget, due to the improved vacancy situation and increase in annual leave provision, was compensated for by lower expenditure in promotion, travelling, building running cost and staff development. The surplus for the first quarter of 2020/21 was more than the budgeted surplus by \$7.9M.

19. Members noted the financial performance of HKPC and its branches for the period April to June 2020.

## **VII. Quarterly Report on HKPC's Funds (F.C. 14/2020)**

20. Members noted the quarterly report on HKPC's funds as presented by , covering the cash balance position as at 30 June 2020, deposit of funds in savings and time deposit accounts of various banks and interest earned.

## **VIII. Any Other Business**

### **(A) Environment, Social and Governance (ESG) Report**

21. Members noted that HKPC was going to compile the ESG Report for 2020/21 to provide an overview of the work and achievements during the year in practising corporate social responsibility and promoting sustainable development.

### **(B) Distance Business Programme (D-Biz Programme)**

22. Members noted that HKPC was to expand involvement as secretariat in the D-Biz Programme which was in receipt of additional Government funding to support more enterprises.

### **(C) Attendance Record of FC Members**

23. Members noted their attendance record for 2020 as circulated together with the meeting agenda and papers by email on 14 July 2020 and shown at the meeting. The Chairman reminded Members to try their best to attend future meetings.

## **IX. Date of Next Meeting**

24. It was noted that the next meeting was tentatively scheduled for 13 November 2020 at 4:30 p.m.

25. There being no other business, the Chairman thanked Members for their attendance and the meeting was closed at 5:14 p.m.