

**Revised Minutes of the 144th Meeting of the Hong Kong Productivity Council
held at 4:00 p.m. on Wednesday, 29 July 2020
via Microsoft Teams**

Present: Chairman – Mr. Willy Lin Sun-mo, GBS, JP

Members – Prof. John Chai Yat-chiu, JP

Ms. Clara Chan Yuen-shan, MH

Ms. Joyce Cheung Chung-sze (Principal Economist,
representing Mr. Andrew Au Sik-hung, JP,
Government Economist)

Ms. Annie Choi Suk-han, JP (Permanent Secretary for
Innovation and Technology)

Mr. Felix Chow Bok-hin

Mr. Steve Chuang Tzu-hsiung

Ms. Rebecca Pun Ting-ting, JP (Commissioner for
Innovation and Technology)

Mr. Marvin Hsu Tsun-fai

Mr. Wilson Fung Ying-wai

Ms. Mandy Kwok Man-yee

Ms. Juan Leung Chung-yan, MH

Ms. Amy Lee Sau-king

Mr. Raymond Ho Kam-biu, JP (Acting Deputy
Commissioner for Labour)

Mr. Li Hoi

Mr. Paul Poon Wai-yin

Mr. Sunny Tan

Ms. Christine Wai Yee-yan (Assistant Director-General of
Trade and Industry (Industries Support),
representing Ms. Salina Yan Mei-mei, JP, Director-
General of Trade and Industry)

Mr. Patrick Wong Chi-kwong

Mrs. Carrie Yau Tsang Ka-lai, GBS, JP

Ms. Karmen Yeung Ka-yin

Mr. Emil Yu Chen-on, JP

Absent with Apologies: Prof. Tam Kar-yan, MH

In Attendance from the Innovation and Technology Commission:

Miss Kathy Chan Nap-sze

In Attendance from HKPC:

Mr. Mohamed Din Butt	Executive Director
Dr. Lawrence Cheung	Chief Innovation Officer
Mr. Edmond Lai	Chief Digital Officer
Ms. Vivian Lin	Chief Financial Officer
Ms. Eliza Ng	Chief People and Culture Officer
Mr. Stanley Chu	Head, Internal Audit & Risk Management (Agenda Items XIII & XIV only)
Mr. Ray Ko	Chief Compliance Officer (Designate)
Ms. Gillian Luk	Senior Manager, Council Secretariat
Ms. Olivia Poon	Manager, Council Secretariat

Special Arrangement for the Meeting

The Chairman said that in light of the coronavirus outbreak, the Council 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.

Welcome

The Chairman welcomed Mr. Raymond Ho Kam-biu, Acting Deputy Commissioner for Labour, Ms. Eliza Ng, Chief People and Culture Officer of HKPC, and Mr. Ray Ko, Chief Compliance Officer¹ (Designate) of HKPC, who attended the meeting for the first time.

I. Confirmation of Minutes (P.C. 15/2020 Revised)

1. The Revised Draft Minutes of the 143rd Council Meeting held on 25 March 2020 had been circulated to Members and there were no further requests for amendments. The Revised Draft Minutes of the meeting were taken as read, confirmed and signed by the Chairman.

¹ Retitled from "Head, Internal Audit & Risk Management" with effect from 4 August 2020

II. Matter Arising

(A) Paper Circulations Since Last Meeting

2. Invited by the Chairman, said that Members approved by circulation the manpower requirement for secretariat and special projects on 25 April 2020 (via Council paper P.C. 16/2020), secretariat support to Distance Business Programme under the second round of Anti-epidemic Fund on 29 April 2020 (via Council paper P.C. 17/2020) and the revised Memorandum of Administrative Arrangements between HKPC and the Government on 22 May 2020 (via Council paper P.C. 18/2020).

3. said that Members were also informed by circulation on 30 June 2020 of the estimated number of fee-charging integrated learning courses for 2020/21 by 4 programme areas (via Council paper P.C. 19/2020).

III. Annual Review of HKPC Activities in 2019/20 (P.C. 20/2020)

4. Invited by the Chairman, introduced the paper by showing a video on the achievements of HKPC in 2019/20 and the recent few months. then briefed Members on details of the KPI performance .

6. also briefed Members on the programme area distribution of fee-charging training courses launched in 2019/20 in comparison with the estimates in the 2019/20 Programme and Estimates (paragraph 12 of the paper).

7. Members approved the 2019/20 Annual Review.

IV. Annual Accounts for the Year 2019/20 (P.C. 21/2020)

8. 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 stationery 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.

11. Members approved the annual accounts for 2019/20 which were reviewed by the Audit Committee at its 53rd meeting held on 14 July 2020 with no adverse comment and endorsed by the Finance Committee at its 69th meeting held on 21 July 2020.

VIII. Revised Programme & Estimates of HKPC for 2020/21 (P.C. 25/2020)

29. 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 to cater to the increasing involvement of HKPC in secretariat and special projects in support of Government policies. Based on the plan to fill additional manning in 2020/21, the staff emoluments for the year were estimated to increase by \$16.5M and income by \$22.4M . The paper under discussion sought to reflect these revised estimated figures in the relevant sections of the Programme and Estimates for 2020/21 which were approved by the Council at its 142nd meeting held on 3 December 2019.

30. Continuing with presentation, said that while the revised figures would touch on the targets for 4 key performance indicators (KPIs), no update was proposed to them. HKPC would continue to pursue them as adopted targets.

31. After discussion, Members approved the revised Programme and Estimates of HKPC for 2020/21.

IX. Three-year Strategic Plan of HKPC for 2021/22 to 2023/24 (P.C. 26/2020)

32. Invited by the Chairman, briefed Members on the Three-year Strategic Plan for 2021/22-2023/24 (Strategic Plan). said that the two “Living” and “Digital” pillars and 12 focus areas under the Strategic Plan developed in 2019 were still relevant and would continue to be in force in the coming 3 years for HKPC to promote the 3 complementary objectives of re-industrialisation, advanced manufacturing and smart living. With the recent launch of the Re-industrialisation Funding Scheme by the Innovation and Technology Commission (ITC), HKPC was poised to give full support to promote the scheme to its partners and would seek to actively participate in the scheme in the coming years. At the same time, HKPC would maintain momentum to support SMEs. In support of the Government’s relief measures to help SMEs

meet challenges during the epidemic, HKPC had taken up more secretariat projects for Government funding schemes, offered concessionary charging rates and organised webinars to facilitate SMEs to adopt new modes of operation. The SME ReachOut launched in early 2020 was well received and would continue to serve as a platform to connect HKPC with SMEs. The continuing focus on STEM education and the new focus on TechEd by HKPC Academy and Inno Space would also serve the interest of SMEs in meeting their manpower needs.

33. Continuing with presentation, said that HKPC would devote resources and attention to the following initiatives in the coming 3 years, alongside the sustained drive to deliver high value-added, high technology content support to promote re-industrialisation of Hong Kong:

- (a) commercialisation to promote wider application of homegrown technologies, a case in point being the “kNOw Touch” contactless elevator panel which was a low cost device developed by HKPC to lessen the risk of coronavirus transmission;
- (b) operation of the Hong Kong Industrial Artificial Intelligence and Robotics Centre (FLAIR) at the AIR@InnoHK research cluster at the Hong Kong Science Park to support related technology development to achieve advanced manufacturing; and
- (c) provision of technical support services to help industry relocate production facilities to ASEAN countries in response to the increasing interest in diversifying risks and developing new opportunities to cushion the fallout of trade dispute.

34. then briefed Members on the technology roadmap of HKPC for the coming years encompassing four major areas, namely smart city, smart manufacturing, green technology and smart enterprises.

35. said that apart from devoting resources to developing home-grown technologies to address local industry’s specific needs, HKPC would seek to collaborate with leading overseas institutions to tap their technical strengths to explore novel technology applications.

36. After discussion, Members approved the Three-Year Strategic Plan of HKPC for 2021/22 to 2023/24, as supported and recommended by the Business Development Committee at its 72nd meeting held on 21 July 2020. Members also noted that the Strategic Plan would be reflected, as appropriate, in the Three-year Forecast for 2021/22-2023/24 to be submitted to the Council in November 2020.

X. Distance Business Programme Resource Planning (P.C. 27/2020)

37. Invited by the Chairman, introduced the paper by providing an update on the operation of the Distance Business Programme (D-Biz Programme).

38. Continuing with presentation, said that ITC announced in late June 2020 an additional funding of \$1,000M on top of the initial \$500M provision for the D-Biz Programme to benefit more enterprises. With more applications to be processed, HKPC's involvement in the programme was set to expand.

42. Members approved the proposal for HKPC to expand involvement in the D-Biz Programme as secretariat in support of the Government's anti-epidemic measures in the wake of COVID-19 outbreak.

XII. Quarterly Report on Integrated Learning Courses Commenced in 2020/21 by Programme Area (P.C. 29/2020)

46. Invited by the Chairman, introduced the paper which informed Members of the programme area distribution of integrated learning courses launched in the first quarter of 2020/21 .

47. Members approved the quarterly report.

XIII. Update on Follow-up Actions on Reports of Director of Audit and Public Accounts Committee of Legislative Council on HKPC (P.C. 30/2020)

48. Invited by the Chairman, introduced the paper which informed Members of the progress of follow-up actions on the reports of the Director of Audit and Public Accounts Committee (PAC) of Legislative Council.

50. Members noted the update.

XIV. Report from the Audit Committee (P.C. 31/2020)

51. Members noted the report from the Audit Committee on matters considered at its 53rd meeting held on 14 July 2020.

52. Members also noted that this was the last meeting attended by and agreed to record a vote of thanks to for dedicated internal audit and risk management service in the past years.

XV. Report from the Business Development Committee (P.C. 32/2020)

53. Members noted the report from the Business Development Committee on matters considered at its 72nd meeting held on 21 July 2020.

XVI. Report from the Finance Committee (P.C. 33/2020)

54. Members noted the report from the Finance Committee on matters considered at its 69th meeting held on 21 July 2020.

XVII. Report from the Staffing Committee (P.C. 34/2020)

55. Members noted the report from the Staffing Committee on matters considered at its 66th meeting held on 14 July 2020.

XVIII. Any Other Business

(B) Cooperation with Tsinghua University

57. Members noted the update by _____ about the cooperation with Tsinghua University further to an MOU signed with the Department of Automation of Tsinghua University (清華大學自動化系) in June 2019.

(C) SME ReachOut Fund Fair Everywhere 2020

58. Members noted that HKPC was going to organise an online exhibition “SME ReachOut Fund Fair Everywhere 2020” during 24 - 26 August 2020. The 3-day event would provide SMEs with the latest information on more than 40 funding schemes from Hong Kong and Greater Bay Area through webinars, one-on-one consultation and instant chatroom. _____ invited Members to promote the event to their associates and acquaintance so that more parties could benefit from the event and the funding schemes.

(D) Vote of Appreciation

59. The Chairman suggested, and Members agreed, to record a vote of appreciation to Ms. Salina Yan Mei-mei, who would take up the post of Permanent Secretary for Financial Services and the Treasury (Financial Services) in August 2020, for her contribution to HKPC during her tenure as Council Member.

(E) Re-appointment of Chairman

60. PS(IT) said that the Council Chairman had been reappointed for a further term of two years with effect from 6 August 2020. She thanked the Chairman for leading HKPC to support the Government in driving re-industrialisation and assisting the industry in enhancing its competitiveness in the past 4 years.

(F) Attendance Record of Council Members

61. Members noted their attendance record for 2020 as circulated together with the meeting agenda and papers by email on 22 July 2020 and shown at the meeting. The Chairman reminded Members to try their best to attend future meetings.

XIX. Date of Next Meeting

62. Members noted that the next meeting was tentatively scheduled on 25 November 2020 at 3:00 p.m.

63. There being no other business, the Chairman thanked Members for their attendance and the meeting was closed at 5:50 p.m.