

P.C. 30/2021 (Revised)

**Revised Minutes of the 147th Meeting of the
Hong Kong Productivity Council
held at 3:00 p.m. on Wednesday, 28 July 2021 in the Board Room,
2nd Floor, HKPC Building, 78 Tat Chee Avenue,
Yau Yat Chuen, Kowloon**

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

Members – Mr. Bryant Chan Wan-sing
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. Steve Chuang Tzu-hsiung*
Mr. Wilson Fung Ying-wai, MH
Mr. Marvin Hsu Tsun-fai
Ms. Mandy Kwok Man-yee*
Ms. Vivien Lau Man-yee
Ms. Amy Lee Sau-king
Ms. Juan Leung Chung-yan, MH
Miss Mabel Li, JP, Deputy Commissioner for Labour*
Mr. Brian Lo Sai-hung, JP, Director-General of Trade and
Industry*
Mr. Paul Poon Wai-yin
Ms. Rebecca Pun Ting-ting, JP (Commissioner for
Innovation and Technology)*
Prof. Tam Kar-yan, MH, JP
Mr. Sunny Tan
Mrs. Carrie Yau Tsang Ka-lai, GBS, JP
Mr. Patrick Wong Chi-kwong
Ms. Karmen Yeung Ka-yin*
Mr. Emil Yu Chen-on, BBS, JP

Absent with Apologies: Mr. Li Hoi

In Attendance from the Innovation and Technology Commission:

Mr. Indiana Wong Man-chung

*attendance via Microsoft Teams application

In Attendance from HKPC:

Mr. Mohamed D. Butt, MH	Executive Director
Dr. Lawrence Cheung	Chief Innovation Officer
Mr. Edmond Lai	Chief Digital Officer
Ms. Vivian Lin	Chief Operating Officer, Funding Schemes
Ms. Eliza Ng	Chief People and Culture Officer
Ms. Christina Cheung	Chief Financial Officer
Mr. Ray Ko	Chief Compliance Officer
Mr. Henry Li	Chief Marketing Officer [Agenda Item XV(C) only]
Ms. Karen Fung	General Manager, InnoPreneur (SME & Startup Growth) and FutureSkills [Agenda Item XV (A) only]
Ms. Athena Ho	InnoTalent [Agenda Item XV (B) only]
Mr. Hayden Lee	InnoTalent [Agenda Item XV (B) only]
Ms. Gillian Luk	Senior Manager, Council Secretariat
Ms. Olivia Poon	Manager, Council Secretariat

Safety Video

A safety video was shown to Members about the safety measures in the HKPC Building.

Special Arrangement for the Meeting

The Chairman said that in light of the pandemic situation, the meeting was held in a hybrid mode with some Members joining via Microsoft Teams application. He thanked Members for their attendance and support of the special arrangement.

Welcome

The Chairman welcomed Ms. Christina Cheung, Chief Financial Officer (CFO) who attended the meeting for the first time.

Congratulations

The Chairman congratulated Mr. Wilson Fung Ying-wai for being awarded Medal of Honour (M.H.) and Prof. Tam Kar-yan for being appointed Justice of the Peace (J.P.) in the 2021 Honours List announced by the Government on 1 July 2021. The Chairman also congratulated Mr. Mohamed D. Butt, Executive Director (ED) who was awarded Medal of Honour (M.H.) and 5 other HKPC staff members who were awarded the Chief Executive's Commendation for Community

Service under the 2021 Honours List.

Mourning for Former Executive Director Mr. Chan Siu-kam

The Chairman expressed deep sorrow over the passing away of Mr. Chan Siu-kam, former Executive Director of HKPC from 1981 to 1996. On behalf of the Council, he paid respect to the significant contribution of Mr. Chan to HKPC in cementing its unique position in the industrial development of Hong Kong.

Activities after Council Meeting

The Chairman invited Members to join a tour of the 5G Future Hall and an experiential trial of drones in the Hong Kong Drone Application Technology Center in HKPC.

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 (P.C. 17/2021 Revised)

1. The Revised Draft Minutes of the 146th Council Meeting held on 24 March 2021 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.

II. Matters Arising

(A) Follow-up on Voice of Industry Consultation Exercise

2. said that the findings of the Voice of Industry (VOI) consultation exercise were shared with the entities taking part in the exercise on 18 June 2021. The briefing session was joined by industry partners who were briefed on the VOI report and major findings of the PricewaterhouseCoopers's study on the socio-economic impact assessment of HKPC.

(B) Paper Circulations Since Last Meeting

3. reported 3 paper circulations to Members since the last Council meeting held on 24 March 2021:

- (a) the authorised signatories for HKPC’s bank accounts ;
- (b) HKPC’s participation in the election committee subsector and Legislative Council functional constituency elections ; and
- (c) a report on programme area distribution of fee-charging integrated learning courses commenced in 2020/21 for Members’ information.

III. Annual Review of HKPC Activities in 2020/21 (P.C. 18/2021)

4. Invited by the Chairman, introduced the paper by presenting the achievements in 2020/21.

- (a) Despite the unfavourable market environment in the year plagued by the pandemic, the external income growth reached 16% compared with a year ago .
- (b) The year also saw HKPC undertaking milestone exercises of Voice of Industry and study by PricewaterhouseCoopers on the socio-economic impact assessment of HKPC. The findings provided the directions for future development and contributed to the drawing up of a technical roadmap to provide focal points to take forward HKPC’s wide array of expertise.
- (c) Other achievements included the successful launch of an OWL intelligent production line to promote re-industrialisation, kicking off a “Make Smart Smarter” corporate marketing campaign, setting up of a new Funding Scheme Branch and approved funding for Government funding applicants through secretariat projects.
- (d) The active participation in international and local competitions to enhance the innovation and technology atmosphere was rewarded with 26 accolades. This was in addition to accreditations to recognise HKPC’s good human resource management practices and commendations to several HKPC staff under the 2021 Honours List of the Government.

5. said that many of the achievements were record-breaking and beyond expectation as the dedicated team of HKPC pushed boundaries to face challenges and serve the industry. thanked Members for giving guidance and

encouragement to the team from time to time during the year.

10. Members approved the 2020/21 Annual Review. abstained from voting as CIT would review the report separately pursuant to the MAA between the Government and the HKPC.

IV. Annual Accounts for the Year 2020/21 (P.C. 19/2021)

11. 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 2020/21. said that external income reached \$540.2M, exceeding budget by 13.9% and surpassing the 2019/20 level by 16%. The value added during the year was \$316.7M, which was 10.3% over budget. On the expenditure side, total expenditure was \$468.6M, or 4.8% below budget, with underspending in staff emoluments, other operating expenses and depreciation on fixed assets. Overall, a surplus of \$60.3M was achieved for 2020/21.

13. also reported the financial performance of HKPC's two subsidiaries in the Mainland and their related entities in 2020/21 and the projected financial result of HKPC in the first quarter of 2021/22.

15. Members approved the annual accounts for 2020/21 which were reviewed by the Audit Committee at its 56th meeting held on 13 July 2021 with no special comment and endorsed by the Finance Committee at its 72nd meeting held on 20 July 2021.

VIII. Three-year Strategic Plan of HKPC for 2022/23 to 2024/25 (P.C. 23/2021)

30. Invited by the Chairman, briefed Members on the Three-year Strategic Plan for 2022/23-2024/25 (Strategic Plan) endorsed by the Business Development Committee at its 75th meeting held on 20 July 2021. said that the Strategic Plan was anchored on the new strategic framework for HKPC approved by the Council at its 146th meeting held on 24 March 2021. The new strategic framework, compiled further to the VOI consultation exercise in October 2020 – January 2021, consisted of the revised vision and mission statements and core values for HKPC, the 3-pronged strategy approved by the Council in 2016 and the HKPC Game Plan approved by the Council at its 146th meeting.

31. said that with the adoption of the HKPC Game Plan which sets out the 6 strategic directions or core businesses of HKPC, a clearer understanding about

HKPC's work focus had been achieved among staff members and industry partners. HKPC would strive to develop practical solutions under the 6 strategic directions with a view to bringing concrete benefits to the industry. As the National 14th Five-year Plan provided tremendous opportunities to Hong Kong SMEs, HKPC would also aim at expanding its support to the GBA in the years ahead.

32. After discussion, Members approved the Three-year Strategic Plan of HKPC for 2022/23-2024/25 which would be reflected in the Programme of Activities and Estimates (P&E) for 2022/23 to be submitted to the Council in November 2021. abstained from voting as the P&E would be submitted to CIT pursuant to the MAA separately.

IX. Report on HKPC's Mainland Subsidiaries and Greater Bay Area Strategy Implementation Plan (P.C. 24/2021)

33. introduced the paper and briefed Members on the business progress of HKPC's related entities in the Mainland along the 3 foci of HKPC's GBA strategy supported by the Council at its 146th meeting held on 24 March 2021. also reported the implementation plan to take forward the GBA strategy to promote Hong Kong's integration with the GBA and increase HKPC's presence in the region.

X. Quarterly Report on Integrated Learning Courses Commenced in First Quarter of 2021/22 by Programme Area (P.C. 25/2021)

49. Invited by the Chairman, introduced the paper about the programme area distribution of integrated learning courses commenced during April – June 2021.

50. Members approved the quarterly report. abstained from voting.

XI. Report from the Audit Committee (P.C. 26/2021)

51. Members noted the report from the Audit Committee on matters considered at its 56th meeting held on 13 July 2021.

XII. Report from the Business Development Committee (P.C. 27/2021)

52. Members noted the report from the Business Development Committee on

matters considered at its 75th meeting held on 20 July 2021.

XIII. Report from the Finance Committee (P.C. 28/2021)

53. Members noted the report from the Finance Committee on matters considered at its 72nd meeting held on 20 July 2021.

XIV. Report from the Staffing Committee (P.C. 29/2021)

54. Members noted the report from the Staffing Committee on matters considered at its 69th meeting held on 13 July 2021.

XV. Any Other Business

(A) Presentation by InnoPreneur (SME & Startup Growth) and FutureSkills Division (IFD)

55. Members noted the presentation by [redacted] about the major recent activities of IFD, which included a survey conducted during April – May 2021 about the industry expectations of the Future of Work, HR transformation training series rolled out in May 2021, the InnoPreneur network launched in March 2021 and joined by over 70 associations and entities and progress made by SME ReachOut. To provide all-round support in FutureSkills, IFD would pursue 4 focused areas, viz upskilling working adults, TechEd for students, promoting InnoPreneurs and supporting start-ups.

(B) Internal Upskilling

60. Members noted the presentation by [redacted] on:

(a) internal courses held to upskill the HKPC staff members during January – June 2021.

(b) the Summer InnoTalent Programme 2021 during June - August 2021, joined by [redacted] interns shortlisted from local and overseas universities.

61. Members received a presentation by two InnoTalents, [redacted] and [redacted], who shared their experience during their two-month internship journey in HKPC so far, going through boot camp training, a hackathon week, visits to smart factories and an innovation challenge.

(C) Report on Advertising Awareness and Marketing Update

62. Members noted the presentation by _____, on the marketing campaign in 2020/21 and the first quarter of 2021/22 as well as signature events in the pipeline for rolling out in the latter half of 2021.

Major Marketing Events in 2020/21 and First Quarter of 2021/22

- SME ReachOut: Fund Fair Everywhere 2020 (August 2020)
- Foresight 2021 (November 2020)
- Re-industrialisation (February – March 2021)
- Make Smart Smarter branding campaign (from 2021)
- 5G Future Hall (April 2021)
- FutureSkills (June 2021)

Signature Events in 2021/22

- Mass Robot Programming for New World Record 「創建機械人集體編程世界紀錄」 (August 2021)
- SME ReachOut: 2021 Fund Fair PLUS (August 2021)
- InnoCarnival 2021 (October 2021)
- GreenTech Exhibit (2022 Q1)

63. _____ said that year 2022 would mark the 25th anniversary of the establishment of the Hong Kong Special Administrative Region. _____ invited HKPC to consider holding celebration activities together with ITC for the public to participate.

(D) Declaration of Interest by Council Members for Government Funding Schemes with HKPC as Secretariat

64. The Chairman said that HKPC was currently serving as secretariat in Government funding schemes. To uphold HKPC's impartiality in administering the funding schemes, he reminded Members to declare interest when their related entities applied for funding under the funding schemes.

(E) Upcoming Activities

66. The Chairman thanked Members for their staunch support to HKPC's events and programmes all along. He invited Members to join 4 upcoming events in August 2021: Blood Donation Day, 2021 Fund Fair Plus, Summer InnoTalent Programme 2021 – Graduation Ceremony and Mass Robot Programming for New World Record 「創建機械人集體編程世界紀錄」.

(F) Attendance Record of Council Members

67. Members noted their attendance record for 2021 as circulated together with the meeting agenda and papers by email on 21 July 2021 and shown at the meeting. The Chairman reminded Members to try their best to attend future meetings.

XVI. Date of Next Meeting

68. Members noted that the next meeting was tentatively scheduled on 24 November 2021 at 3:00 p.m.