

**Revised Minutes of the 72<sup>nd</sup> Meeting of  
the Finance Committee of  
the Hong Kong Productivity Council  
held at 4:30p.m. on Tuesday, 20 July 2021  
in the Board Room, 2<sup>nd</sup> Floor, HKPC Building,  
78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

- Present** : Chairman - Mr. Wilson Fung Ying-wai, MH
- Members - Mr. Mohamed D. Butt, MH  
Mr. Bryant Chan Wan-sing\*  
Mr. Marvin Hsu Tsun-fai\*  
Ms. Vivien Lau Man-yee\*  
Ms. Karmen Yeung Ka-yin\*  
Ms. Joyce Cheung Chung-sze\*  
(Principal Economist, representing Mr.  
Andrew Au, JP, Government  
Economist)  
Mr. Indiana Wong Man-chung\*  
(Assistant Commissioner for  
Innovation and Technology (Funding  
Schemes), representing Ms. Rebecca  
Pun, JP, Commissioner for Innovation  
and Technology)

**In Attendance from HKPC** :

- |                      |  |
|----------------------|--|
| 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                  |
| Ms. Gillian Luk      | Senior Manager, Council Secretariat      |
| Ms. Chloe Chow       | Assistant Manager, Council Secretariat   |

\*attendance via Microsoft Teams application

## **Special Arrangement for the Meeting**

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

## **Welcome**

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

## **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.

## **Congratulations**

Members congratulated the Chairman and Mr. Mohamed D. Butt, Executive Director (ED) for being awarded the Medal of Honour (MH) in the 2021 Honours List announced by the Government on 1 July 2021.

### **I. Confirmation of Minutes (F.C. 6/2021 Revised)**

1. The Revised Draft Minutes of the 71<sup>st</sup> FC Meeting held on 16 March 2021 had been circulated to Members and there were no further requests for amendments. The Minutes were taken as read, confirmed and signed by the Chairman.

### **II. Matter Arising**

#### **(A) Paper Circulation since Last Meeting**

2. Invited by the Chairman,        reported that Members approved by circulation on 12 May 2021 via paper F.C. 7/2021 the updated authorised signatories for HKPC's bank accounts.

### **III. Annual Accounts for the Year 2020/21 (F.C. 8/2021)**

3. 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 strong business performance was achieved in spite of the pandemic wreaking havoc on the global economy in 2020/21. The value-added during the year was \$316.7M, which was 10.3% over budget. On the expenditure side, total expenditure was \$468.5M, 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.

4. On the financial performance of HKPC's two subsidiaries in the Mainland and their related entities, said that external income in 2020/21 was RMB 19.1M or 14% below budget. The value-added during the year was RMB 11.2M, which was 9% below budget. The below budget performance was mainly due to business suspension during the pandemic and sluggish market demand due to economic uncertainty. The value-added percentage during the year was higher than budget by 3%. On the expenditure side, total expenditure was RMB 9.7M, with staff emoluments and other operating expenses below budget by 12% and 28% respectively. Overall, a surplus of RMB 1.5M was achieved which doubled that of the budgeted figure.

7. Members agreed to endorse for the Council's approval the annual accounts for 2020/21 which were reviewed by the Audit Committee at its 56<sup>th</sup> meeting held on 13 July 2021 with no special comment.

### **IV. Financial Performance of HKPC for the First Quarter of 2021/22 (April – June 2021) (F.C. 9/2021)**

8. Invited by the Chairman, introduced the paper and said that external income during the first quarter of 2021/22 was \$141.8M, which was in line with budget and represented a 13% growth over that of 2020/21. The value-added and value-added percentage were both lower than budget by 1% but there was a respective growth of 21% and 4% over that of 2020/21.

9. said that on the expenditure side, the total expenditure in the first quarter of 2021/22 was \$119.1M, or 16.1% less than budget.

13. Members noted the financial performance of HKPC, its branches and Mainland subsidiaries for the period April to June 2021.

**V. Quarterly Report on HKPC's Funds (F.C. 10/2021)**

14. Members noted the quarterly report on HKPC's funds as presented by , covering the cash balance position as at 30 June 2021, deposit of funds in savings and time deposit accounts of various banks and interest earned.

**VI. Any Other Business**

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

19. Members noted their attendance record for 2021 as circulated together with the meeting agenda and papers by email on 13 July 2021 and shown at the meeting. The Chairman reminded Members to try their best to attend future meetings.

**VII. Date of Next Meeting**

20. It was noted that the next meeting was tentatively scheduled for 16 November 2021 at 4:30 p.m.

21. There being no other business, the Chairman thanked Members for their attendance and the meeting was closed at 5:03 p.m.