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and Members' names removed)**

P.C. 41/2021 (Second Revision)

**Revised Minutes of the 148th Meeting of the Hong Kong Productivity Council
held at 3:00 p.m. on Wednesday, 24 November 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
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)
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: Prof. Tam Kar-yan, MH, JP

In Attendance from the Innovation and Technology Commission:

Mr. Arthur Au Chung-pak

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. Yonghai Du	General Manager, Green Living and Innovation [Agenda Item X(E) 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.

Mode of Meeting

The Chairman said that the Council meeting was held physically in HKPC with three Members joining the meeting via Microsoft Teams application. He thanked Members for joining the meeting.

Vote of Appreciation

The Chairman suggested, and Members agreed, to record a vote of appreciation to Mr. Li Hoi for his contribution during his tenure as Member.

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. 30/2021 Revised)

1. The Revised Draft Minutes of the 147th Council Meeting held on 28 July 2021 were circulated to Members on 15 November 2021. As 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) Paper Circulations Since Last Meeting

2. reported 2 paper circulations to Members since the last Council meeting held on 28 July 2021 .

IV. Programme and Estimates of HKPC for 2022/23 and Three-Year Forecast 2022/23 – 2024/25 of HKPC Income and Expenditure (P.C. 34/2021)

14. took Members through the financial estimates for 2022/23 and forecast for 2022/23-2024/25.

2022/23 Targets for Key Performance Indicators

16. then took Members through the proposed Key Performance Indicator (KPI) targets for 2022/23 (Appendix 3 of paper) .

17. After discussion, Members approved:

- (a) HKPC's Three-Year Forecast for 2022/23-2024/25 as endorsed by the Finance Committee at its 73rd meeting held on 16 November 2021;
- (b) the detailed Programme and Estimates of HKPC for 2022/23 which included the proposed staff establishment for HKPC endorsed by the Staffing Committee at its 70th meeting held on 9 November 2021; and
- (c) the proposed targets for KPIs for 2022/23 which were endorsed by the Business Development Committee at its 76th meeting held on 16 November 2021.

19. Members also noted the Three-year Forecast of the Mainland subsidiaries for 2022/23 to 2024/25 (paragraph 34 of paper) and the total funding approved to support the continued operation of APAS in 2022/23 - 2024/25 (paragraph 38 of paper) which did not form part of HKPC's income and expenditure forecast for the purpose of subvention requirement.

V. Revision of HKPC Code of Conduct for Council Members (P.C. 36/2021)

23. Members noted the status in revising the Code and that their approval would be sought by circulation of the revised paper.

VI. Report from the Audit Committee (P.C. 37/2021)

24. Members noted the report from the Audit Committee on matters considered at its 57th meeting held on 9 November 2021.

VII. Report from the Business Development Committee (P.C. 38/2021)

25. Members noted the report from the Business Development Committee on matters considered at its 76th meeting held on 16 November 2021.

VIII. Report from the Finance Committee (P.C. 39/2021)

26. Members noted the report from the Finance Committee on matters considered at its 73rd meeting held on 16 November 2021.

IX. Report from the Staffing Committee (P.C. 40/2021)

27. Members noted the report from the Staffing Committee on matters considered at its 70th meeting held on 9 November 2021.

X. Any Other Business

(A) HKPC Awards

28. Members noted 54 awards and honours garnered by HKPC in 2021 so far, marking a significant milestone which testified to HKPC's outstanding performance in driving technologies and productivity enhancement for the benefit of Hong Kong enterprises.

(B) Directors Of The Year Awards 2021 and Special Recognition for Excellence in Board Diversity

29. said that the Council had been selected by The Hong Kong Institute of Directors (HKIoD) as an awardee of the Directors Of The Year Awards 2021 under the category of statutory/non-profit-distributing organizations. thanked

Members for their significant contribution to the good corporate governance of HKPC.

30. Members noted that HKIoD also gave special recognition to the Council for excellence in board diversity.

(C) Re-industrialisation Study - Hong Kong

31. Members received a presentation by on the major findings of a “Re-industrialisation Study - Hong Kong” (the Study) conducted by HKPC in collaboration with the HKU Business School in July - September 2021. Involving over 180 local companies through questionnaires and focus group meetings, the Study aimed to explore the conditions and challenges faced by Hong Kong’s FoodTech, HealthTech and GreenTech sectors in re-industrialisation.

32. Highlights of the presentation on the Study findings were as follows:

- (a) 52% of the surveyed companies had plans to move or extend their production lines to Hong Kong, from which they could radiate out to their target markets in Hong Kong, the Mainland and Southeast Asia;
- (b) the space requirement of around 40% of the companies polled was less than 10,000 square feet;
- (c) the major challenges perceived by the surveyed companies were space and talent shortages;
- (d) half of the surveyed companies were aware of Industry 4.0 and the advantages brought by digital transformation; and
- (e) the potential for “new generation semiconductors” to be developed into an emerging industry.

34. said that HKPC was going to organise a Hong Kong Industry Network Cluster (HK-INC) consultation session on 8 December 2021 to consult representatives from the Government, industry, academia and research institutes on the strategies to support the new semiconductor industry development. invited Members to join the meeting and offer insight.

(E) Presentation on Green Living and Innovation Division (GID)

38. Members noted the presentation by about the major business activities and growth initiatives of GID.

Major Business Activities

- signature environmental services in 6 major areas
- all-rounded testing capabilities
- recognitions and patents obtained
- progress made in commercialising home-grown solutions in support of re-industrialisation in Hong Kong
- Environmental, social and governance (ESG) services.

(F) Compliance Go

41. Members noted the update by on the Compliance Go week of activities to be held in January 2022. This would be the second time the programme was held to provide training and refresh staff awareness of the importance of compliance with the governance measures established.

(G) Declaration of Interest

42. The Chairman said that as an annual exercise to update the Register of Members' Interests, the Council Secretariat would invite Members to submit their declaration of interest in early 2022. Timely submission from Members would be appreciated.

43. The Chairman also reminded Members to make declaration of interest when their related entities submit applications to Government funding schemes with HKPC as secretariat.

(H) Attendance Record of Council Members

44. Members noted their attendance record for 2021 as circulated together with the meeting agenda and papers by email on 17 November 2021 and shown at the meeting. The Chairman reminded Members to try their best to attend future meetings.

(I) Meeting Schedule for 2022

45. Members noted the tentative Council meeting schedule for 2022 shown at the meeting, as follows:

Meeting	Date and Time
149 th Council meeting	23 March 2022 (Wednesday) 3:00pm
150 th Council meeting	27 July 2022 (Wednesday) 3:00pm
151 st Council meeting	23 November 2022 (Wednesday) 3:00pm

XI. Date of Next Meeting

46. Members noted that the next meeting was tentatively scheduled on 23 March 2022 at 3:00 p.m.

47. There being no other business, the Chairman thanked Members for their attendance and the meeting was closed at 5:12 p.m.