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and Members' names removed)**

P.C. 28/2022 (Revised)

**Revised Minutes of the 150th Meeting
of the Hong Kong Productivity Council
held at 3 p.m. on Wednesday, 27 July 2022 in
Theatre 2, 1st 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. Ricky Chan Wai-chung
Mr. Brian Cheng Ho-wai
Mr. Francis Ho Siu-hong, JP (Acting Director-General of
Trade and Industry)
Mr. Raymond Ho Kam-biu, JP (Deputy Commissioner
for Labour)*
Mr. Marvin Hsu Tsun-fai, JP
Ms. Vivien Lau Man-yee
Mr. Adolph Leung Wing-sing, JP (Government
Economist)
Ms. Juan Leung Chung-yan, MH
Mr. Eddie Mak Tak-wai, JP (Permanent Secretary for
Innovation, Technology and Industry)
Mr. Bernard Poon Che-wai*
Ir Paul Poon Wai-yin
Ms. Rebecca Pun Ting-ting, JP (Commissioner for
Innovation and Technology)
Ms. Jenny Tam Kam-lin
Prof. Tam Kar-yan, MH, JP
Hon Sunny Tan
Mr. Donald Tong Chi-keung, GBS
Mr. Patrick Wong Chi-kwong
Ms. Karmen Yeung Ka-yin
Mr. Emil Yu Chen-on, BBS, JP

Absent with Apologies: Ms. Mandy Kwok Man-yee

*attendance via Microsoft Teams application

In Attendance from the Innovation and Technology Commission:

Mr. Indiana Wong Man-chung

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
Ms. Gillian Luk	Head, 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.

Meeting Mode

The Chairman said that the meeting was held physically with two Members joining via Microsoft Teams application. He thanked Members for their attendance.

Welcome to New Members

The Chairman welcomed Mr. Eddie Mak Tak-wai, Permanent Secretary for Innovation, Technology and Industry (PSITI); Mr. Adolph Leung Wing-sing, Government Economist; and Mr. Francis Ho Siu-hong, Acting Director-General of Trade and Industry, who attended the meeting for the first time as Council Members.

Congratulations

The Chairman congratulated Mr. Marvin Hsu Tsun-fai for being appointed Justice of the Peace (J.P.) in the 2022 Honours List announced by the Government on 27 July 2022. The Chairman also asked to record a congratulatory note to three ex-Council members, Ms. Annie Choi Suk-han, Miss Mabel Li Po-yi and Hon Poon Siu-ping, who were awarded Gold Bauhinia Star (G.B.S.), Bronze Bauhinia

Star (B.B.S.) and Silver Bauhinia Star (S.B.S.) respectively under the 2022 Honours List.

Vote of Appreciation

The Chairman suggested, and Members agreed, to record a vote of appreciation to Ms. Annie Choi Suk-han, Mr. Andrew Au Sik-hung and Mr. Brian Lo Sai-hung for their contribution during their tenure as Council Members. They sat on the Council previously as Permanent Secretary for Innovation, Technology and Industry; Government Economist; and Director-General of Trade and Industry respectively.

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. 9/2022 Revised)

1. The Revised Draft Minutes of the 149th Council Meeting held on 23 March 2022 had been circulated to Members. As there were no further requests for amendments, the Revised Draft Minutes were taken as read, confirmed and signed by the Chairman.

II. Matters Arising

(A) Paper Circulations Since Last Meeting

2. reported 3 paper circulations to Members since the last Council meeting held on 23 March 2022.

III. Annual Report on Key Performance Indicators (KPIs) for 2021/22 and Proposed Revision to a KPI (P.C. 13/2022)

3. Invited by the Chairman, introduced the paper by presenting HKPC's achievements in 2021/22:

- (a) external income - rose by 13% year-on-year with a robust backlog of orders;
- (b) re-industrialisation-related order intake;

- (c) Key Performance Indicators (KPIs) - all the 19 KPI targets set were met;
- (d) secretariat projects - fund disbursement to funding scheme applicants reached \$1.6B;
- (e) integrated learning support - more than 700 courses held on Industry 4.0 and Enterprise 4.0 to help enterprises digitalise operations;
- (f) local and international accolades – 85 awards obtained in recognition of impactful innovations developed;
- (g) Guinness World Record - Mass Robot Programming activity joined by more than 500 local students from 70 schools; and
- (h) anti-epidemic measures – development of the first-in-Hong Kong low platform electric vehicle serving as mobile vaccination station, half-price concessionary offers to local SMEs and “learn-from-home” free online learning series.

5. then presented the KPI performance of HKPC in 2021/22. He said that all the targets of the 19 KPIs were met.

Proposal to Revise KPI

6. Continuing with his presentation, introduced a proposal to revise the current KPI of “Income Generated from Commercialisation of Patents (\$M)”.

10. After discussion, Members approved the annual report on HKPC’s KPI performance for 2021/22 and the proposal to adopt the revised KPI of “Income from Commercialisation (\$M)” for implementation from 2023/24 onwards.

IV. Annual Accounts for the Year 2021/22 (P.C. 14/2022)

11. Invited by the Chairman, briefed Members of the financial performance of HKPC, excluding Automotive Platforms and Application Systems R&D Centre (APAS), in 2021/22:

- (a) external income was \$611.7M, which was 7.8% over budget and exceeded last year by 13%. The good performance was driven by income from projects of technical nature and secretariat projects for Government funding schemes;

- (b) value added was more than budget by 5% and higher than last year by 14%, in line with external income growth;
- (c) total expenditure at \$516.8M was 9% less than budget; and
- (d) an overall surplus of \$56.3M was achieved for the year, which was better than budget by \$68.4M.

12. Members approved the annual accounts for 2021/22 which had been reviewed by the Audit Committee at its 59th meeting held on 12 July 2022 and endorsed by the Finance Committee at its 75th meeting held on 19 July 2022 with no special comment.

VIII. Three-year Strategic Plan of HKPC for 2023/24 to 2025/26 (P.C. 18/2022)

Three-year Strategic Plan

26. Invited by the Chairman, briefed Members on the Three-year Strategic Plan for 2023/24-2025/26 (Strategic Plan). He said that:

- (a) the Strategic Plan was anchored on the strategic framework for HKPC comprising the HKPC Game Plan with 6 strategic directions arrived at after a Voice of Industry consultation exercise in October 2020 – January 2021 involving 83 meetings held with representatives from 113 entities. It was considered that the Game Plan was still highly relevant to industry needs and should continue to guide HKPC’s industry support effort in the years ahead;
- (b) the “Re-industrialisation” strategic direction had been renamed as “Re-industrialisation - Made in Hong Kong” to more succinctly communicate to industry players and the general public in Hong Kong and GBA HKPC’s effort in driving high value-add activities for them to take root in Hong Kong to enhance the status of “Made in Hong Kong”; and
- (c) the other 5 strategic directions under the Game Plan i.e. “Intelligent Manufacturing”, “Digitalisation and Cyber Security”, “Smart and Green Living” and “FutureSkills”, as well as “SME and Start-up Support”, would continue to be key areas to pursue in the next 3 years; and
- (d) in particular, for “SME and Start-up Support”, secretariat support to Government funding schemes had become one of the major HKPC platforms to help SMEs meet challenges. In addition, the SME ReachOut dedicated team had served over 33,000 companies.

30. After discussion, Members approved the Three-year Strategic Plan of HKPC for 2023/24-2025/26 which would be reflected in the Programme and Estimates (P&E) for 2023/24 to be submitted to the Council in November 2022.

IX. Reappointment of External Auditor (P.C. 19/2022)

34.

36. Members approved the reappointment of BDO Limited as the group auditor for HKPC and its subsidiaries for the two financial years of 2022/23 and 2023/24.

XI. Quarterly Report on Integrated Learning Courses Commenced in First Quarter of 2022/23 by Programme Area (P.C. 22/2022)

42. Invited by the Chairman, introduced the paper about the programme area distribution of 138 integrated learning courses commenced during April – June 2022, exceeding the KPI target for the period. The estimated course numbers classified by the designated 4 categories were also met.

43. Members noted the quarterly report.

XII. Report from the Audit Committee (P.C. 23/2022)

44. Members noted the report from the Audit Committee on matters considered at its 59th meeting held on 12 July 2022.

XIII. Report from the Business Development Committee (P.C. 24/2022)

45. Members noted the report from the Business Development Committee on matters considered at its 78th meeting held on 19 July 2022.

XIV. Report from the Finance Committee (P.C. 25/2022)

46. Members noted the report from the Finance Committee on matters considered at its 75th meeting held on 19 July 2022.

XV. Report from the Staffing Committee (P.C. 26/2022)

47. Members noted the report from the Staffing Committee on matters considered at its 72nd meeting held on 12 July 2022.

XVII. Any Other Business

(A) Attendance Record of Council Members

54. Members noted their attendance record for 2022 as circulated together with the meeting agenda and papers by email on 20 July 2022 and shown at the meeting. The Chairman reminded Members to try their best to attend future meetings.

(B) Vote of Appreciation to the Council Chairman and Welcome to the Incoming Chairman

55. Mr. Patrick Wong Chi-kwong, Deputy Chairman, said that this was the last Council meeting chaired by Mr. Willy Lin Sun-mo whose term in the Council would end on 5 August 2022. He suggested, and Members agreed, to record a vote of appreciation to Mr. Lin for his contributions and leadership in the past 6 years. Mr. Wong also congratulated Mr. Sunny Tan for being appointed as the Council Chairman with effect from 6 August 2022.

XVIII. Date of Next Meeting

56. Members noted that the next meeting was tentatively scheduled on 2 December 2022 at 9:30 a.m.

57. There being no other business, the Chairman thanked Members for their attendance and the meeting was closed at 4:47 p.m., followed by a get-together of Council Members to bid farewell to the Council Chairman.