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and Members' names removed)**

P.C. 43/2024 (Second Revision)

**Revised Minutes of the 157th Meeting
of the Hong Kong Productivity Council**

**held at 3:00 p.m. on Thursday, 28 November 2024 in Boardroom,
2nd floor, HKPC Building, 78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

Present: Chairman – Hon. Sunny Tan

Members – Prof. Viveca Chan E-nam
Mr. Bryant Chan Wan-sing
Ms. Clara Chan Yuen-shan, MH, JP*
Mr. Brian Cheng Ho-wai
Ms. Lily Ching Ngon-lai
Mr. Desmond Hou Ka-chun, JP (representing Mr. Adolph
Leung Wing-sing, JP, Government Economist)
Mr. Marvin Hsu Tsun-fai, JP
Mr. Geoffrey Edward Kao
Mr. Anthony Lam Sai-ho*
Ms. Vivien Lau Man-yee
Mr. Ivan Lee Kwok-bun, JP (Commissioner for Innovation
and Technology)
Prof. Matthew Lee Kwok-on
Mr. Raymond Liang Lok-man, JP (representing Raymond
Ho Kam-biu, JP, Deputy Commissioner for Labour)
Mr. Aaron Liu Kong-cheung, JP, Director-General of
Trade and Industry
Mr. Eddie Mak Tak-wai, JP (Permanent Secretary for
Innovation, Technology and Industry)
Mr. Bernard Poon Che-wai*
Mr. Donald Tong Chi-keung, GBS, JP
Ms. Jennifer Yeung Yin-chi, JP*
Mr. Emil Yu Chen-on, BBS, JP*
Ms. Zhang Li, JP*

Absent with Apologies: Ms. Jenny Tam Kam-lin, MH
Ms. Frankie Tam Wing-see

In Attendance from the Innovation and Technology Commission:

Mr. Indiana Wong Man-chung	Assistant Commissioner for Innovation and Technology (Funding Schemes)
Ms. Milly Au Yeung Shan*	Senior Manager (Innovation and Technology Fund)

*attendance via Microsoft Teams application

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In Attendance from HKPC:

Mr. Mohamed D. Butt, MH	Executive Director
Dr. Lawrence Cheung	Chief Innovation Officer and Acting Chief Technology Officer
Mr. Edmond Lai	Chief Digital Officer
Ms. Vivian Lin	Chief Operating Officer
Mr. Yonghai Du	Chief Innovation Officer (Designate)
Ms. Christina Cheung	Chief Financial Officer
Mr. Ray Ko	Chief Compliance Officer
Mr. Brian Wong	Chief People and Culture 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.

Mode of Meeting

The Chairman said that the Council meeting was held physically in HKPC with 15 Members joining in person and 6 Members joining remotely via Microsoft Teams application. He thanked Members for joining the meeting.

Welcome to Member

The Chairman welcomed Mr. Aaron Liu Kong-cheung, Director-General of Trade and Industry, and Mr. Raymond Liang Lok-man, Assistant Commissioner (Labour Relations), representing Deputy Commissioner for Labour, who attended the meeting for the first time.

The Chairman also welcomed Mr. Yonghai Du who joined the meeting in attendance in the capacity of Chief Innovation Officer (Designate).

Tour after Council Meeting

The Chairman said that the meeting would be followed by a tour of 2 theme halls unveiled recently, namely the HKPC-HP 3D Printing Technology Centre and the New Energy Hall. He invited Members to join the tour afterwards.

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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.

Video on Chief Executive's Visit to HKPC

(A video on the Chief Executive's visit to HKPC on 8 October 2024 was shown at the meeting to give a snapshot of the first-ever visit by the Government head, including his advice and commendation during and after the visit, behind-the-scene preparation by the HKPC team and HKPC's industry partners sharing with the Chief Executive their experience engaging HKPC's support.)

1. The Chairman thanked the Government for the support and trust on HKPC. He said that HKPC took the mission to promote new productive forces seriously and its work was held in high regard by local, Mainland and overseas partners. The year saw many of them send representatives to visit HKPC, ranging from entities related to the Central Government, regional authorities, to Economic and Trade Offices of the Hong Kong Government.

2. said that the promotion by HKPC on the success stories of Hong Kong companies was well liked by many parties.

3. also thanked Members for referring 8 delegations to visit the Future Manufacturing Hall (新質生產力展館) which had received more than 6,000 visitors. invited Members to introduce more visitors to HKPC to create wider awareness of the national policy on new productive forces.

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Measures in Support of 2024 Policy Address

4. The Chairman referred to the Policy Address announced by the Chief Executive in October 2024, which included multiple initiatives relevant to HKPC's work, and invited to brief Members. then took Members through 7 major areas of support by HKPC which complemented the Policy Address in consolidating and enhancing Hong Kong's advantages, developing new productive forces and building Hong Kong into an international hub for high-calibre talents:

- (a) promoting new industrialisation;
- (b) supporting SMEs;
- (c) attracting and nurturing technology talent;
- (d) implementing Government funding schemes;
- (e) accelerating low-altitude economy;
- (f) facilitating high-quality economic development; and
- (g) promoting green and low-carbon living.

6. The Chairman noted HKPC's effort to support the Policy Address from multiple angles and invited Members to support HKPC's work, give guidance and be part of the effort to complement the Government's policy.

I. Confirmation of Minutes (P.C. 30/2024 Revised)

7. The Revised Draft Minutes of the 156th Council Meeting held on 18 July 2024 had been circulated to Members and there were no further requests for amendments. The Minutes of the meeting were taken as read, confirmed and signed by the Chairman.

II. Matter Arising

(A) Paper Circulations Since Last Meeting

8. reported 4 paper circulations to Members since the last Council meeting held on 18 July 2024 .

9. also reported that the 2023/24 annual report of HKPC, incorporating Members' comments, was published after being tabled at the LegCo meeting held on 30 October 2024. thanked Members for reviewing the draft report circulated on 10 September 2024.

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III. Programme and Estimates of HKPC for 2025/26 and Three-Year Forecast 2025/26 – 2027/28 of HKPC Income and Expenditure (P.C. 35/2024)

Situation Analysis

10. Invited by the Chairman to introduce the paper, shared with Members a situation analysis underpinning the preparation of the Programme and Estimates (P&E) for 2025/26 the 3-year forecast for 2025/26 – 2027/28.

Projection for 2024/25

13. then gave a brief account of the projected financial result for the current financial year of 2024/25 before taking Members through the financial estimates for the next 3 years.

Financial Estimates for 2025/26-2027/28

14. then explained the guiding principles and considerations (paragraphs 23 and 33 of paper) before going over the financial estimates.

15. said that the Finance Committee endorsed the P&E for 2025/26 and 3-year Forecast at its 82nd meeting held on 19 November 2024.

Staff Establishment for 2025/26

20. briefed Members on the staff establishment for 2025/26.

21. said that the proposed staff establishment was endorsed by the Staffing Committee at its 79th meeting held on 19 November 2024.

Key Performance Indicator (KPI) Targets for 2025/26

23. took Members through the proposed targets for 2025/26 under 4 Key Performance Measures (paragraph 36 and Appendix 13 of the paper).

24. said that the Business Development Committee (BDC) reviewed the year-to-date KPI performance for 2024/25 at its 85th meeting held on 12 November 2024 and recommended the KPI targets for 2025/26 for Members' approval.

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25. Members approved:

- (a) HKPC's Three-Year Forecast for 2025/26-2027/28;
- (b) the detailed Programme and Estimates of HKPC for 2025/26 which included the staff establishment; and
- (c) the proposed targets for KPIs for 2025/26.

IV. Extension of Enhanced Concession Scheme for Hong Kong SMEs for 12 Months from April 2025 to March 2026 (P.C. 36/2024)

27. Invited by the Chairman, briefed Members on a proposal for HKPC to extend the offer of 50% concession of manpower cost for consultancy services and testing services to Hong Kong SMEs for 12 more months from 1 April 2025 till 31 March 2026. The proposed continuation of the concession was to help SMEs cope with the complex challenges triggered by economic headwinds and geopolitical tensions.

28. said that the Finance Committee endorsed the proposal at its 82nd meeting on 19 November 2024. It was considered that the concession extension was well justified, as the target beneficiary of SMEs made up over 90% of Hong Kong businesses and under the current economic environment, there was every reason to continue the support measure.

29. Members approved the proposed extension of the 50% concession offer for SMEs.

V. Concession to Applicant Companies of New Industrialisation Funding Scheme (NIFS) and New Industrialisation Acceleration Scheme (NIAS) (P.C. 37/2024)

30. Invited by the Chairman, introduced to Members 2 concession proposals to run until 31 March 2026.

31. said that the aim of the concession offers was to encourage Hong Kong enterprises to obtain technical support from HKPC to set up smart production lines, thereby accelerating new industrialisation in the city and other parts of GBA.

32. said that the Finance Committee endorsed the 2 proposals at its 82nd meeting held on 19 November 2024 to meet the need for promoting new industrialisation.

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33. said that new industrialisation was one of the focus items in the Policy Address. considered that new industrialisation could provide the pathway to expand Hong Kong's economic diversity by leveraging on the good industrial foundation built up over the years. In offering concessions to enterprises and providing technical support to NIFS and NIAS applicants, HKPC could complement the Government's steadfast pursuit of high-quality development and contribute to the growth of industries.

36. Members approved the proposals.

VI. Report on Socio-Economic Impact Assessment of HKPC (P.C. 38/2024)

(The representatives of joined the meeting in person for the agenda item.)

(A video was shown at the meeting, featuring who gave an overview of the assessment conducted on the socio-economic impact by HKPC .)

37. Members then received a presentation by on the major findings of the assessment of HKPC.

41. Members noted the report on the socio-economic impact assessment of HKPC by as detailed in the paper.

(The representatives left the meeting at this juncture.)

VII. Report from the Audit Committee (P.C. 39/2024)

42. Members noted the report from the Audit Committee on matters considered at its 66th meeting held on 12 November 2024.

VIII. Report from the Business Development Committee (P.C. 40/2024)

43. Members noted the report from the Business Development Committee on matters considered at its 85th meeting held on 12 November 2024.

IX. Report from the Finance Committee (P.C. 41/2024)

44. Members noted the report from the Finance Committee on matters considered at its 82nd meeting held on 19 November 2024.

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X. Report from the Staffing Committee (P.C. 42/2024)

45. Members noted the report from the Staffing Committee on matters considered at its 79th meeting held on 19 November 2024.

XI. Any Other Business

(A) Technology Game Plan

46. Members received a presentation by on a Technology Game Plan to guide HKPC's efforts in technology development in the coming years.

47. then reported the recruitment initiatives to complement the Technology Game Plan, under a proactive approach to reach out to target talents to build up the talent pipeline in the short- to medium-term.

52. Members supported the Game Plan.

(C) Low Altitude Economy

55. Members noted a presentation by on HKPC's plan to support the development of the low-altitude economy against a vision to enhance urban mobility. said that the initiative was helped by HKPC being recently appointed by the Civil Aviation Department as the technical advisor of the Working Group on Developing Low-Altitude Economy, set up in November 2024 following the 2024 Policy Address. As technical advisor, HKPC would provide assistance and advice on low-altitude economy technology applications, pilot trials and technical standard formulation.

56. also gave Members an overview of the on-going and coming initiatives in the market, covering drone applications in different scenarios and explorations over electric vertical take-off and landing (eVTOL) aircraft and flying cars.

(D) Update on Hong Kong Industrial Artificial Intelligence & Robotics Centre (FLAIR)

57. Members noted the update by on the latest progress and way forward for FLAIR.

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(F) Acknowledgment on Understanding of Code of Conduct for Council Members

62. informed that, following the recommendation of ICAC, HKPC's anti-corruption programme had incorporated a requirement for HKPC to request Council Members to sign and acknowledge their understanding of the "Code of Conduct for Council Members" annually.

64. The Chairman noted HKPC's proactive stance to learn and make improvement for doing better in its operation. He thanked the Audit Committee Chairman and for independently and professionally supporting HKPC's work in compliance.

(G) Reminder on Register of Interest by Council Members

65. The Chairman said that as an annual exercise, Members would be requested in early 2025 to update their Register of Interests. He reminded Members to make timely submission.

(H) Upcoming Activities

66. The Chairman invited Members to join 4 upcoming activities by HKPC. They were:

- (a) The Future of Manufacturing Meetup Event: Europe & Middle East to be held on 12 December 2024;
- (b) Christmas party to be held on 18 December 2024;
- (c) Council dinner to be held on 20 January 2025 to bid farewell to the outgoing Council Members and welcome the new Members. Members would be informed of the venue in due course; and
- (d) 2025 annual dinner to be held on 21 March 2025.

(J) Attendance Record of Council Members

70. Members noted the attendance record for Council and Standing Committee meetings in 2024 as circulated together with the meeting agenda and papers by email on 21 November 2024 and shown at the meeting. The Chairman reminded Members to try their best to attend future meetings of the Council and Standing Committees.

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(K) Meeting Schedule for 2025

71. Members noted the tentative Council meeting schedule for 2025 circulated to Members on 28 October 2024 together with the 157th Council meeting notice and shown at the meeting, as follows:

Meeting	Date and Time
158 th Council meeting	20 March 2025 (Thursday) 3:00 pm
159 th Council meeting	24 July 2025 (Thursday) 3:00 pm
160 th Council meeting	27 November 2025 (Thursday) 3:00 pm

XII. Date of Next Meeting

72. Members noted that the next meeting was tentatively scheduled on 20 March 2025 at 3:00 p.m.

(The closed door session of the meeting followed.)