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**P.C. 15/2020 (Revised)**

**Revised Minutes of the 143<sup>rd</sup> Meeting of the Hong Kong Productivity Council  
held at 3:30p.m. on Wednesday, 25 March 2020 in the Board Room  
2<sup>nd</sup> floor, HKPC Building, 78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

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

Members – Prof. John Chai Yat-chiu, JP

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. Felix Chow Bok-hin

Mr. Steve Chuang Tzu-hsiung

Ms. Rebecca Pun Ting-ting, JP (Commissioner for Innovation and Technology)

Mr. Marvin Hsu Tsun-fai

Ms. Mandy Kwok Man-yee

Ms. Juan Leung Chung-yan, MH

Ms. Amy Lee Sau-king

Mr. Li Hoi

Mr. Paul Poon Wai-yin

Miss Mabel Li Po-yi, JP (Deputy Commissioner for Labour)

Prof. Tam Kar-yan, MH

Mr. Sunny Tan

Ms. Christine Wai Yee-yan (Assistant Director-General of Trade and Industry (Industries Support), representing Ms. Salina Yan Mei-mei, JP, Director-General of Trade and Industry)

Mr. Patrick Wong Chi-kwong

Mrs. Carrie Yau Tsang Ka-lai, GBS, JP

Ms. Karmen Yeung Ka-yin

Mr. Emil Yu Chen-on, JP

**Absent with Apologies:** Mr. Wilson Fung Ying-wai

### **In Attendance from the Innovation and Technology Commission:**

Mr. Ivan Lee Kwok-bun, JP  
Miss Kathy Chan Nap-sze

### **In Attendance from HKPC:**

Mr. Mohamed Din Butt	Executive Director
Dr. Lawrence Cheung	Chief Innovation Officer
Mr. Edmond Lai	Chief Digital Officer/ Chief People and Culture Officer (Acting)
Ms. Vivian Lin	Chief Financial Officer
Mr. Stanley Chu	Head, Internal Audit & Risk Management (Agenda Item VII only)
Ms. Karen Fung	Senior Manager, HKPC Academy (Agenda Item VII only)
Ms. Gillian Luk	Senior Manager, Council Secretariat
Ms. Olivia Poon	Manager, Council Secretariat

### **Special Arrangement for the Meeting**

The Chairman said that in light of the coronavirus outbreak, most Members joined the meeting via Microsoft Teams application. He thanked Members for their support of the special arrangement.

### **Welcome**

The Chairman welcomed Mr. Steve Chuang Tzu-hsiung and Mr. Marvin Hsu Tsun-fai who attended the meeting for the first time.

### **Vote of Appreciation**

The Chairman suggested, and Members agreed, to record a vote of appreciation to Mr. Alan Cheung and Dr. Allen Shi Lop-tak for their contribution during their tenure as Members.

### **Declaration of Interest**

The Chairman thanked Members for their submission of the annual declaration of interest for 2020. He looked forward to Members' continual support of the annual exercise in 2021 with on time submission of the declaration form. He also 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. 35/2019 Revised)**

1. The Revised Draft Minutes of the 142<sup>nd</sup> Council meeting held on 3 December 2019 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**

2. Invited by the Chairman, said that since the previous meeting held on 3 December 2019, Members approved by circulation the membership for the standing committees of HKPC and reappointment of the Board members of HKPC Technology (Holdings) Co. Ltd. and Productivity (Holdings) Ltd. (vide paper P.C. 1/2020), revised annual review of HKPC activities in 2018/19 (vide paper P.C. 2/2020) and an enhanced concession scheme for SMEs (vide paper P.C. 4/2020). Members were also informed by circulation on 12 February 2020 the impending renewal of the subletting agreement for Massachusetts Institute of Technology (MIT) Hong Kong Innovation Node (vide paper P.C. 3/2020).

## **III. HKPC's Role in Support of Government Funding Schemes and Policies (P.C. 5/2020)**

3. Invited by the Chairman, introduced the paper which reported HKPC's involvement as secretariat in Government funding schemes and a special project in support of Government policy. A set of guiding principles was also drafted to provide a general framework to guide project negotiation, budgeting, monitoring and reporting.

5. In response to about the control mechanism in place for the secretariat and special projects, said that the majority of projects were handled by dedicated teams formed to assume responsibility for HKPC's duties under contracts signed, which had worked well with no major issue observed. Under a restructuring exercise in April 2020, most of the teams would be put under a single division to further enhance their focus on service delivery, achieve more flexibility in resource deployment and strengthen governance. On the financial side, HKPC's contribution to the projects was in-kind in nature and no cash injection was involved.

8. said that in HKPC's all-out efforts to support industry development across a wide spectrum of service areas, HKPC had built up its unique position in

the local industry support infrastructure. In so doing, HKPC managed to maintain a balance between its public mission and budget responsibility to achieve an overall surplus situation, mindful of the need to ensure the proper use of public money.

11. After discussion, Members agreed to support HKPC's position in taking up secretariat projects and special projects in support of Government policies. Members also approved the guiding principles in paragraph 3 to support HKPC's continual involvement in such projects.

#### **IV. Revised Key Performance Indicators for HKPC and Proposed Targets for 2020/21 (P.C. 6/2020)**

12. Invited by the Chairman, said that an overall review of the framework of the Key Performance Indicators (KPIs) had been conducted in consultation with ITC to more accurately reflect HKPC's business model which had evolved in response to the changing business environment and to address the comments of the Director of Audit's report.

22. After discussion, Members approved the revised framework of 19 KPIs as set out in paragraph 7 of the paper for implementation from 2020/21 onwards as well as the corresponding KPI targets for 2020/21 as presented at the meeting, whilst CIT abstained. The formal approval of CIT would be sought.

[Post-meeting note: CIT approved the revised KPI framework and the corresponding targets for 2020/21 on 17 April 2020.]

#### **VI. Executive Director's Goals and Objectives for 2020/21**

25. briefed Members on goals and objectives (G&O) for 2020/21 by way of a powerpoint presentation.

26. Members noted that G&O setting was an exercise which started 2 years ago to ensure staff knowledge of corporate directions to guide staff efforts towards the prioritised strategic imperatives for the organisation.

#### **VII. Update on Follow-up Actions on Reports of Director of Audit and Public Accounts Committee (PAC) of Legislative Council on HKPC (P.C. 8/2020)**

27. The Chairman thanked CIT for the invaluable support and guidance of ITC to help HKPC follow up the reports of the Director of Audit and PAC.

28. Invited by the Chairman, , introduced the paper which informed Members of the progress of follow-up actions on the reports of the Director of Audit and PAC.

31. Members noted the update.

#### **VIII. Review of Memorandum of Administrative Arrangements (MAA) between the HKSARG and HKPC on the Administration of the Subvention for HKPC (P.C. 9/2020)**

32. Members received a presentation by on the proposed amendments to the MAA. said that apart from the section on HKPC's service focus which had been commented on by the Audit Commission, amendments were proposed in other sections of the document as HKPC had taken the opportunity to reflect its current mode of operation.

33. Members noted the proposed amendments for which the comments of the Department of Justice (DoJ) and Financial Services and the Treasury Bureau (FSTB) would be sought before seeking the Council's approval of the finalised MAA.

#### **IX. Report on Setting up of Hong Kong Industrial Artificial Intelligence and Robotics Centre (P.C. 10/2020)**

34. Members noted the progress in setting up the Hong Kong Industrial Artificial Intelligence and Robotics Centre (IAIR/The Flair) at AIR@InnoHK Research Cluster at the Hong Kong Science Park as presented by .

#### **X. Report from the Audit Committee (P.C. 11/2020)**

36. Members noted the report from the Audit Committee on matters considered at its 52<sup>nd</sup> meeting held by Microsoft Teams on 10 March 2020.

#### **XI. Report from the Business Development Committee (P.C. 12/2020)**

37. Members noted the report from the Business Development Committee on matters considered at its 71<sup>st</sup> meeting held by Microsoft Teams on 17 March 2020.

## **XII. Report from the Finance Committee (P.C. 13/2020)**

38. Members noted the report from the Finance Committee on matters considered at its 68<sup>th</sup> meeting held on 17 March 2020.

## **XIII. Report from the Staffing Committee (P.C. 14/2020)**

39. Members noted the report from the Staffing Committee on matters considered at its 65<sup>th</sup> meeting held by Microsoft Teams on 10 March 2020.

## **XIV. Any Other Business**

### **(A) HKPC's Support during COVID-19 Outbreak**

40. Members noted the recent initiatives of HKPC in supporting the local community to fight against the continuing novel coronavirus (COVID-19) outbreak and reducing the financial burden of SMEs during the tough economic environment as presented by . The initiatives included:

- (a) secretariat support to the Local Mask Production Subsidy Scheme to help local enterprises set up production facilities in Hong Kong to meet the huge demand for facial masks;
- (b) half-price concession to SMEs on the labour portion of the list price for HKPC's R&D, consultancy projects and testing services as well as venue rental from 12 March 2020;
- (c) continuation of the "Buy-3, Get-1-free" offer for corporate training courses for companies to keep up learning during tough times;
- (d) free webinars and sharing guides on digitalised business operations and cyber security tips to facilitate enterprises to adopt the work-from-home arrangement and explore new ways of doing business; and
- (e) SME ReachOut Programme to introduce government funding schemes that SMEs could leverage to battle economic headwinds.

### **(B) 2020 Legislative Council Election**

41. said that the Council had previously advised HKPC to maintain its neutral position and give up the voting right in the Legislative Council Functional Constituency election. In light of the upcoming election in the latter half of 2020,

HKPC would send a reminder to staff about internal guidelines promulgated in the Code of Conduct for Staff and standard practice in respect of election-related matters.

(C) Updated Organisation Chart of HKPC

42. Members noted the updated organisation chart of HKPC which would take effect on 1 April 2020, with the Technology Development Branch (TDB) renamed as the “Living Innovation Branch (LIB)” (智慧生活創新科), new names for divisions under LIB, and realignment of business divisions into 7 divisions for a better integration of expertise to address the ever-changing industry needs.

(D) Attendance Record of Council Members

43. Members noted their attendance record for 2019 as circulated together with the meeting agenda and papers by email on 18 March 2020 and shown at the meeting.

44. The Chairman invited Members to attend meetings as far as possible and consider the option of dialing in to join meetings in case their physical presence was not viable.

(E) 2020 HKPC Annual Dinner and Dinner for Council Members

45. The Chairman said that as the coronavirus pandemic continued to prevail, the 2020 HKPC Annual Dinner and dinner to bid farewell to the ex-Council Members and welcome the new Members would be postponed until further notice. He thanked Members for their understanding.

**XV. Date of Next Meeting**

46. The next meeting was tentatively scheduled on 29 July 2020 at 3 p.m.