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KOWLOON



CULTURAL

DISTRICT

**WEST KOWLOON
CULTURAL DISTRICT
AUTHORITY**

09/10
annual report

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**About the West Kowloon
Cultural District Authority**

CULTURAL



The West Kowloon Cultural District (“WKCD”) is a strategic investment by the Government of the Hong Kong Special Administrative Region (“HKSAR”) to meet the long-term infrastructure needs of the arts and cultural sector, which is a vital part of any world-class city’s economic and social fabric. The West Kowloon Cultural District Authority (“the Authority”) was established under the West Kowloon Cultural District Authority Ordinance (“WKCDA Ordinance”), Cap. 601, to develop the WKCD.

The WKCD will be an asset of Hong Kong for residents and visitors to enjoy. It has an area of 40 hectares, with some 23 hectares public open space for people’s free enjoyment. The Authority aspires to develop the WKCD into an integrated arts and cultural district where people can embrace its creative and innovative environment, appreciate its arts and cultural components, and make the most of their valuable leisure time.



Vision, Functions and Objectives

WATERFRONT





Bird's eye view of the West Kowloon Cultural District

Vision

To develop the WKCD into an integrated arts and cultural district that will:

- Provide quality culture, entertainment and tourism programmes with a must-visit appeal for both local residents and visitors from around the world;
- Meet the long-term infrastructure needs of Hong Kong's arts and cultural development and foster organic growth and development of culture and creative industries; and
- Become a cultural hub for attracting and nurturing talents, an impetus to improve quality of life, as well as a cultural gateway to the Pearl River Delta.

Functions

- To prepare a Development Plan ("DP") for the WKCD to lay out the plan area and set apart the land within it for various land uses;
- To develop the WKCD in accordance with the land use and other requirements or conditions specified in the approved DP;
- To provide (including plan, design and construct), operate, manage and maintain arts and cultural facilities, related facilities or ancillary facilities;
- To advocate, promote, organise, sponsor, encourage and provide for the appreciation of and participation in arts and culture;
- To promote, exhibit and display arts publicly and otherwise;
- To initiate and support the creation, composition, production, learning and practising of the arts; and
- To perform such other functions as are conferred or imposed on the Authority by or under the WKCD Ordinance or any other Ordinance.

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Chairman's Statement



The Honourable Henry TANG Ying-yen, GBM, GBS, JP (Right)
Chairman of the Board of
the West Kowloon Cultural District Authority

I am pleased to present the 2nd Annual Report of the West Kowloon Cultural District Authority.

Developing Hong Kong into a world-class international metropolis is the goal we all aspire to. While our financial and commercial sectors rank among the best in the world, the arts and cultural landscape lacks the vibrant and colourful touch that make other world cities sparkle. The much anticipated West Kowloon Cultural District (“WKCD”) could be just that sparkle.

Our vision is to make WKCD the grand stage that will showcase the inclusive nature of Hong Kong—a fusion of the West and the East; contemporary and classic. The hub will provide the soil and nutrients that nurture interaction among leading international and local artists, and it will be a catalyst for the development of local creative industries. WKCD will be people oriented. It will be anchored upon sustainable development where culture and arts integrate organically with commercial activities. It will emphasise on landscaping, waterfront, public space and community integration.

I am delighted to share with you the achievements that the Authority, together with the people of Hong Kong, has made in realising these goals during the past year.

Planning Vision

In May 2009, the Authority adopted seven planning design principles to guide the formulation of WKCD’s Development Plan—creativity, accessibility, connectivity, integration, vibrancy, uniqueness and sustainability—under the overarching notion that the development of WKCD must be people oriented and embraced by the public.

We engaged three world-renowned master planning teams—Foster + Partners, Rocco Design Architects Limited and Office for Metropolitan Architecture, as the Authority’s Conceptual Plan Consultants in July 2009.

Promising Prospects

To understand public aspirations for WKCD as well as arts and cultural stakeholders’ requirements of its facilities, the Authority conducted Stage 1 of the Public Engagement (“PE”) exercise between October last year and January this year. The Authority held 66 public engagement events including five forums and 51 focus group meetings during the exercise to listen to their views.

We were delighted by the enthusiastic public response. The Authority received over 7,000 questionnaires and written submissions during the three-month consultation period.

After taking into account the recommendations by the Authority and public views collected during the Stage 1 PE exercise, the three master planning teams unveiled their respective Conceptual Plan Option to the public in August this year, followed by a three-month Stage 2 PE exercise to solicit public views on the three options and the implementation timetable of its arts and cultural facilities.

Keen public participation is crucial to the planning of WKCD. We hope to listen to the views of the public and stakeholders on the overall design and individual features of the three options. As the Authority selects one conceptual plan option as a master blueprint, we may incorporate outstanding features of the other two options into a detailed Development Plan without compromising the cohesiveness and integrity of the chosen option. The final plan would be professional and with broad public support.

Building a Professional Management Team

Another major task achieved during the year was the establishment of a professional management team to steer the planning and development, and to affirm the artistic vision of WKCD. After announcing the appointment of Mr Graham Sheffield, former Artistic Director of the renowned Barbican Centre in London, as its Chief Executive Officer in March this year, the Authority named other members of the management team, who are all experts in their respective fields. I believe the management team's competence and insight will assist the Board in realising the vision of WKCD.

Meanwhile, the team of government staff temporarily seconded to the Authority has handed their work smoothly over to the staff members recruited by the Authority.

Cultural Software

The success of WKCD hinges on synced development of software and hardware. In strengthening our arts and cultural software, the Authority is stepping up efforts to bring culture and the arts to the people, enabling WKCD to eventually become a part of their life.

A series of activities were organised last year to enhance public understanding of WKCD and to foster interests in the arts and culture in the community. These included guided tours to the "2009 Hong Kong and Shenzhen Bi-City Biennale of Urbanism/Architecture" in February this year and a seminar on "City vs. Architecture: Challenges and Opportunities" in April at the University of Hong Kong. The Authority is planning to organise more cultural and art activities such that WKCD will become part of the community and people's life.

The positioning and operation of the arts and cultural facilities form an integral part of WKCD's software. During the year, the Authority

has initiated studies on the positioning, audienceship, market potential, timetable of the completion and modes of governance of performing arts venues, M+ and the exhibition centre. These studies will provide bases for organic growth of WKCD. We want to ensure that its development is in line with the aspiration of the public and that public resources are used effectively.

Furthermore, the Authority will launch a six-month curatorial internship programme later this year for qualified Masters and Ph.D. degree holders from arts and culture-related disciplines in local universities in order to train and nurture curatorial professionals in Hong Kong.

Overseas Publicity

A world-class cultural district should have its own international branding. The Authority is participating in the Shanghai World Expo to provide millions of visitors to the Hong Kong Pavilion from all over the world with the opportunity to learn more about the vision and planning of this exciting project. The three Conceptual Plan Options for WKCD also made its first foray into the international arena at the Hong Kong Exhibition of the Venice Biennale International Architecture Exhibition this year. The event has attracted international attention and opinions from world-renowned masters in the architecture and art fields.

During the past year, we have made significant progress in many areas for WKCD project. I wish to thank all members of the Board, the six Committees and the Consultation Panel, as well as staff members who have newly come on board, for their invaluable contributions. Furthermore, I would like to offer my heartfelt gratitude to my colleagues in the Government who have been giving us their support to WKCD project.

More importantly, our arts and cultural stakeholders and the general public have been offering substantial support to the Authority and are giving us plenty of constructive comments and suggestions. We shall continue to listen to their views and build an art hub that we can all be proud of.



The Honourable Henry TANG Ying-yen, GBM, GBS, JP

Chairman of the Board of
the West Kowloon Cultural District Authority

Hong Kong, 3 September 2010

**Operating
Review**

**TOP
MILITARY**

The Board

The Board, the governing and executive body of the Authority, was established on 23 October 2008 when the Chief Executive announced the appointment of its Chairman, three public officer members and 15 non-public officer members for a term of two years. Not only do Board members have a diversity of expertise and experience, they also have distinguished records of community service.

The Board held five meetings during the reporting year (i.e. between April 2009 and March 2010) and decided on a number of strategic issues that are crucial to the future development of the WKCD and the operation of the Authority. These covered the preparation of the Development Plan (“DP”), organisational setup, human resources, the governance and institutional framework of M+ and performing arts (“PA”) venues, and engagement with the public and stakeholders.

Development Plan

The WKCD, which is located at a prime waterfront location with an area of 40 hectares, including 23 hectares of public open space, will become an asset of the Hong Kong people. During the year, the Authority continued to attach great importance to the preparation of the WKCD’s DP and continuous engagement with the public and stakeholders, so as to realise their aspirations for—and expectations of how—the WKCD should be planned and developed.

Planning Design Principles

On 25 May 2009, the Board endorsed the Development Committee's recommendations to adopt a set of planning design principles to guide the formulation of the DP for the WKCD, to ensure that its development would be flexible enough to allow for organic growth, as well as to meet future changes in arts and culture and diverse socioeconomic needs. Foremost among these principles is the notion that the development of the WKCD must always be people-focused. Under this overarching notion, the Authority adopted the following seven planning design principles:

Creativity

The district's layout and design should embrace a creative and innovative spirit that can be adaptive to future changes in arts and culture and in socioeconomic needs, and makes creative use of the harbourfront and adjoining water bodies for the enjoyment of the public.

Accessibility

Access should be easy and convenient for everyone, from different parts of Hong Kong to the WKCD as well as within it.

Connectivity

The WKCD should connect to the lives of people and should optimise access to the harbour, connect to other parts of Hong Kong and beyond, and complement to the neighbouring old areas.

Integration

The WKCD should be an integrated district with intrinsic arts and cultural components incorporated into its public open space, both inside and outside the individual arts and cultural facilities, in the infrastructure itself and in its green open areas.

Vibrancy

There should be a diversity of functions and activities for people from all walks of life who want to interact, converse, create, work, learn, experience and relax.

Uniqueness

The district should project a unique identity as a place that embraces cultural richness from the East and West, and as a haven for the city's traditions, memories, inspirations and aspirations.

Sustainability

The WKCD should adopt sustainable planning and design with a commitment to low carbon emissions, low energy consumption and low-cost maintenance.

Selection of Consultants

In order to foster creativity, cast a wider net for diverse professional opinions and offer more master plan options to the public, the Authority conducted an open and transparent global tendering exercise for the selection of the three Conceptual Plan Consultants and the Project Consultant. An assessment panel, comprising renowned personalities from the architectural, planning and engineering fields, was formed by the Board to assess the submissions from the shortlisted consultancy firms.

The Authority received 40 expressions of interest from local and overseas consultants after the Authority started the global tendering exercise, including seven submissions on the Project Consultancy and 33 submissions on the Conceptual Plan Consultancy. Sixteen consultants—12 for the Conceptual Plan Consultancy and four for Project Consultancy—were shortlisted to submit technical and fee proposals. In assessing the technical proposals submitted by the consultants, their technical merits—including experience; creativity and innovative arts and cultural ideas; appreciation of the objectives; staff organisation and experience; methodology; and work programme—were considered by the assessment panel.

In July 2009, the Board announced the appointment of three world-renowned architects as the Conceptual Plan Consultants, namely Foster + Partners, Rocco Design Architects Limited and Office for Metropolitan Architecture. Each will prepare a Conceptual Plan Option for the WKCD. While these three consultants are tasked with demonstrating considerable creativity, they are also fully aware of the importance of reflecting the public's views that were gathered during Stage 1 of the PE exercise in crafting their master plan options. These options will be unveiled to the public during Stage 2 of the PE exercise, which is scheduled to begin in August 2010. One of the three options will be selected by the Authority to serve as the basis for the preparation of a detailed DP.

The Board also announced in July 2009 the appointment of Mott MacDonald Hong Kong Limited as the Project Consultant of the Authority. Based on the Conceptual Plan Option to be selected by the Authority, the Project Consultant will prepare a detailed DP for submission to the Town Planning Board ("TPB"). The Project Consultant is also responsible for the preparation of the Schedules of Accommodation ("SoA") for the Core Arts and Cultural Facilities ("CACF") of the WKCD.

Public Engagement Exercise

To dovetail with the preparation of the DP of the WKCD, the Board had earlier decided to adopt a three-stage approach for the PE exercise as follows :

Stage 1

To gauge the views of the public and stakeholders on the overall planning of the WKCD as well as their requirements for the facilities in the arts and cultural venues.

Stage 2

To gauge the views of the public and stakeholders on the three Conceptual Plan Options and the preliminary Schedules of Accommodation ("SoA") of the arts and cultural facilities.

Stage 3

To gauge the views of the public and stakeholders on the detailed DP of the WKCD and the detailed SoA of the arts and cultural facilities.

Following the announcement of the above strategy on the PE exercise, the Board tasked the Consultation Panel with planning the consultation programmes for the PE exercise, reviewing and reporting to the Board the progress of the PE exercise, and ensuring that the PE exercise is conducted in an open and transparent manner.

The Authority commissioned, via an open tender, an Analysis and Reporting Consultant (the Public Policy Research Institute of the Hong Kong Polytechnic University) to independently analyse and report on the views collected during the three stages of the PE exercise, with a view to obtaining fair and objective findings.

Stage 1 of the PE exercise, together with its findings, will be described in detail under the section "Stage 1 Public Engagement Exercise".

Phased Development of Arts and Cultural Facilities

While the Board considered the phased development of M+, the Exhibition Centre (“EC”) and performing arts (“PA”) venues recommended by the former Consultative Committee on the CACF of the WKCD, the Board decided and announced in March 2009 that it would task the Development, Museum and Performing Arts Committees with commissioning market analyses of these facilities to ascertain their potential demand. This was done in order to take forward the planning of these facilities in a systematic and prudent manner.

The objective of these studies is to obtain information on the existing and potential market so as to ascertain in particular the existing and potential audienceship/ clientele of the arts and cultural facilities locally, regionally and internationally, projected at 5-year intervals up to 2030. The market studies will include study of comparable facilities in the Pearl River Delta, other major cities in the Mainland and overseas.

The information and analysis provided by the studies will help the Authority formulate the most desirable strategy for phased development of the arts and cultural facilities, so as to allow for the WKCD’s organic growth. Details of these studies are set out under the subsections on “Museum Committee” and “Performing Arts Committee”.

Mode of Governance of Arts and Cultural Facilities

Various modes of governance have different implications for the arts and cultural facilities’ day-to-day management, operation, programming, service and spatial requirements. In view of this, as well as the need to ensure good corporate and institutional governance for the WKCD as a whole along with its individual arts and cultural facilities, the Board tasked the Museum and Performing Arts Committees to each commission a mode of governance study on M+, the EC and PA venues.

The mode of governance studies aim to deliberate on and then recommend the most suitable modes of governance and external institutional relationships with government and non-government organisations for the WKCD’s arts and cultural facilities. The studies will draw references from the existing institutional models of successful and leading arts and cultural facilities that are comparable to the new facilities of the WKCD in scale, function and vision and guiding principles.

Details of these studies are set out under the subsections on “Museum Committee” and “Performing Arts Committee”.

Organisational Setup of the Authority

As the Authority is a public body with a wide range of duties conferred upon it by the WKCD Ordinance, the Board commissioned a consultancy study on the Authority's organisational structure and manpower needs. This will ensure that the Authority's overall setup, manpower needs and recruitment packages are reasonable and comparable to similar local and overseas benchmark organisations.

The scope of the study, as endorsed by the Remuneration committee, is to recommend the appropriate organisational structures and manpower needs for the three stages of the WKCD's development, namely the planning, design and construction, and operation stages, taking into account the organisational structures of the benchmark organisations.

On 25 May 2009, the Board endorsed the recommendations of the consultant (Hewitt Associates L.L.C.), which was selected via open tender, on the organisational principles for the Authority as follows :

Simplicity and Flexibility

- A simple, flat organisational structure with well-segmented functions, clear reporting lines and effective spans of control.
- A flexible organisation that effectively transits between stages with minimal disruption to operations and resources.

Accountability and Clarity

- Clear accountability, responsibilities and controls across and within functions.

Effective Service Provider Management

- A lean organisation that efficiently leverages external service providers with effective business controls.

Operational Efficiency

- Drive effective, timely and coordinated decision-making within and across each function.

Professional, Highly Skilled and Rewarding Work Environment

- Remunerations are market-driven, internally equitable, are aligned with employee skills, competency, and performance, and reflect good corporate governance.

The Board also endorsed the consultant's recommendations on the organisational structure, manpower needs and remuneration packages of the Authority during the planning stage (from 2009 to 2011).

During the planning stage, the Authority will be led by a Chief Executive Officer (“CEO”) with a span of control of nine direct reports, including six Executive Directors (who are responsible for Project Delivery, Performing Arts Policy and Management Services, M+, Finance, Communications and Marketing, and Human Resources), General Counsel, Internal Auditor and Director, CEO’s Office. The Authority will have a total of some 80 staff during the planning stage.

The Authority’s organisational structure aligns with the setup of common public bodies, meets the organisational design principles adopted by the Board, and addresses the objective of delivering the core functions of the Authority while leaving internal audit, legal and human resource functions as separate departments to provide checks and balances. The Board is also of the view that the organisational structure for the design and construction stage and operations stage need to be considered later, with a view to seamlessly adjusting the organisational structure in response to operation and experiences, changes in strategy, market needs and stakeholder needs.

As of end May 2009, the Authority had 28 staff members, with 10 officers seconded from the Government to assist the Authority’s work in the initial stage of the project. After the endorsement of the results of the organisational structure study by the Board in May 2009, the Authority proceeded to recruit its own senior executives as well as middle-ranking and professional staff in a fair, open and transparent manner.

On 24 March 2010, the Board announced the appointment of Mr Graham Sheffield as the CEO of the Authority, effective mid-August 2010. As CEO, Mr Sheffield will lead and manage the artistic and operational initiatives and projects related to the development of the WKCD. He will report to the Board and serve as a Board member. Mr Sheffield is the former Artistic Director of one of the world’s most-respected art centres, the Barbican Centre in London. His experience spans multiple art forms, including performing arts, visual arts, film and much more. His vision, managerial talents and expertise in the international arts scene will provide the WKCD with leadership it needs to become Asia’s leading centre for arts and culture.

Stage 1 Public Engagement Exercise

The objective of Stage 1 of the PE exercise was to gauge the community's aspirations for and expectations on the planning of the WKCD as a whole, as well as the views of stakeholder groups on the requirements for the arts and culture facilities. In addition, public views were sought on their aspirations for WKCD's cultural software development, including the provision of programmes and education-related activities.

To spearhead the preparation for Stage 1 of the PE exercise, the Board endorsed the arrangements for the exercise that were proposed by the Consultation Panel on 20 July 2009, including the list of stakeholders to be consulted, the questionnaire, the formats and schedules of the PE events, as well as the publicity activities for the PE exercise.

In designing the questionnaire for the Stage 1 PE exercise, the Authority incorporated input from the Conceptual Plan Consultants, the Project Consultant, the Analysis and Reporting Consultant and the Authority's network collaborators, including professional institutions.

A special poster publicising the exercise was designed by renowned local artist Mr Stanley Wong, who developed his ideas from the current state of play of the WKCD project.

Under the slogan "Stretch Your Imagination. Share Your Dream. Create a successful West Kowloon Cultural District for all!", the three-month Stage 1 PE exercise was kicked off on 8 October 2009. The Honourable Henry Tang Ying-yen, Chief Secretary for Administration of the Hong Kong Special Administrative Region Government and Chairman of the Board, officiated at the Opening Forum on 8 October 2009, which was held at Y-Square in Chai Wan. The Forum targeted students from universities and secondary schools as the younger generations will be the future users of the WKCD. Over 300 students and teachers from universities, arts education institutions and secondary schools participated in the forum. A highlight of the event was the dialogue onstage between the Honourable Henry Tang Ying-yen and Mr Perry So, Assistant Conductor of the Hong Kong Philharmonic Orchestra, and youngsters from around the city. During the breakout discussion and wrap-up sessions, students voiced out ingenious and bold ideas that were very useful in shaping the future WKCD.

Apart from the Opening Forum and the Youth Forum described below, the Authority organised three public forums, chaired by the Consultation Panel Chairman Professor Stephen Cheung Yan-leung, in the Science Museum, the Arts Centre and Tai Po Civic Centre respectively to reach out to the general public and to hear local residents' views on the planning of the WKCD.

The last open forum of the Stage 1 PE exercise, the Youth Forum, took place on 20 December 2009 at the Hong Kong Convention and Exhibition Centre and was dedicated to the “next generation”, a major stakeholder group of the WKCD. Over 160 working youths and students shared their views on the development and planning of the WKCD with the Authority and the three Conceptual Plan Consultants.

Sixty-one focus group meetings were also organised for various stakeholder groups to discuss user requirements for the arts and cultural facilities and WKCD’s cultural software development. Over 300 stakeholder groups participated in the focus group meetings and gave inspiring, constructive views on the planning of the WKCD.

Representatives from the Authority, the Conceptual Plan Consultants and the Project Consultant attended all the forums and focus group meetings to hear views in person. Board, Committee and Consultation Panel members of the Authority also actively participated in the forums and focus group meetings.

To enhance the transparency of the exercise, all the audio recordings of the forums and focus group meetings as well as transcripts of the discussions were uploaded to the Authority’s website for the public’s information.

A consultation leaflet and questionnaire were designed for the exercise, and they were made available on the Authority’s website and at the PE event venues. They were also widely distributed to the public through community centres, performing arts venues and museums. In addition, the Consultation Panel Chairman set up a Facebook group to collect public views.

As for visitors from overseas and Mainland China, their views were gathered by means of face-to-face interviews conducted by the Analysis and Reporting Consultant.





Activities of the Stage 1 Public Engagement Exercise for the WKCD

Results of Stage 1 of the Public Engagement Exercise

The Report on the Analysis of Views for the Stage 1 PE exercise, which was compiled by the Analysis and Reporting Consultant, was published on 31 March 2010. A total of 7,412 documents, including 6,688 completed questionnaires, were analysed.

The results showed that there were strong alignment between the views collected and the seven Planning Design Principles (Creativity, Accessibility, Connectivity, Integration, Vibrancy, Uniqueness and Sustainability) adopted by the Authority for the planning of the district, with particular emphasis on sustainability.

Respondents indicated their preference for the district to grow organically, and that programmes tailored for various segments of the community should be developed. Furthermore, they favoured qualities such as “artistic/ cultural feel”, “relaxing”, “inspiring”, “inviting”, “showcasing Hong Kong’s unique local and traditional characteristics”, and “exhibiting a green setting” as the attributes of the ambience and overall look of the district.

The report on the Analysis of Views for
the Stage 1 PE exercise



The findings provide very useful guidance for the Authority and its three Conceptual Plan Consultants on the aspirations and preferences of stakeholders and the public as to how they would like the WKCD to be planned and designed.

The report as well as a compendium containing all views received and analysed during Stage 1 of the PE exercise has been uploaded to the Authority's website (www.wkcda.hk). They are also available for public inspection at the Authority's Secretariat.

Having reviewed the report, the Board formulated during its meeting in April 2010 the strategic directions for the preparation of the DP of the WKCD. When the three Conceptual Plan Options are presented to the public during Stage 2 of the PE exercise, the Conceptual Plan Consultants will be required to produce a statement on how the public's views have been taken into account during the development of their Options. Stage 2 is scheduled to be launched in the summer of 2010.

Extension of Tenure of Non-Board Committee Members

Taking into consideration that the Authority was pressing ahead with the PE exercise and recruitment of senior staff, as well as the need for maintaining continuity in the Authority's governance structure, the Board decided on 26 November 2009 that the tenure of all non-Board committee members should be extended until 31 December 2010. The Board also agreed to extend the tenure of Consultation Panel members to 28 February 2011.

Development Committee

The principal function of the Development Committee is to consider and recommend to the Board the overall policies and strategies related to the planning and development of the WKCD. In particular, the Committee oversees the preparation of the DP for the WKCD. The Committee held two meetings and two briefings during the year.

The Committee has updated the programme for the preparation of the DP and made recommendations on the arrangement for Stage 1 of the PE exercise, including questions to be posed to the public and stakeholder groups, the formats of the engagement events, publicity and more. It also oversaw the progress of the work done by the Project Consultant and the Conceptual Plan Consultants in relation to the preparation of the DP.

Interface with Guangzhou-Shenzhen-Hong Kong Express Rail Link Project

The West Kowloon Terminus (“WKT”) of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (“XRL”) will be located adjacent to and under a part of the WKCD. As the XRL and WKCD projects are closely related, the Development Committee received two briefings by both the Highways Department and the Mass Transit Railway Corporation Limited on 10 July and 12 November 2009 on the progress of the design of the WKT, with a view to ensuring better interface between the two projects. The Development Committee was of the view that pedestrian links and landscaping would be of great importance and considered that the design of WKT, especially the design of pedestrian links and landscaping, should echo those of the WKCD. The Development Committee will continue to liaise with the XRL project team so that the two can be well coordinated and the Development Committee can be regularly updated on the design of the WKT.

Interface with Pedestrian Linkages and Road Schemes in West Kowloon

To tie in with the development of the West Kowloon area, the Transport Department (“TD”) completed the West Kowloon Reclamation Development Traffic Study in 2009. The purpose of the study was to improve the road network in West Kowloon, tackle congestion at certain road junctions in the area and address the future traffic needs of the entire West Kowloon development area (including the WKCD and WKT).

On 12 November 2009, the Development Committee was briefed by the TD on the progress of the pedestrian linkages and road schemes in the West Kowloon area. The Committee considered that flexibility must be provided in any traffic and pedestrian linkage plan so as to tie in with the preparation of the Conceptual Plan Options by the Authority’s consultants. Besides, the design of pedestrian linkages should be convenient, direct and comfortable, and should provide a suitable environment and ancillary facilities to increase the attractiveness of the linkages. The design should also ensure that the visual appearance of the relevant structures is well integrated with the surrounding developments and buildings (including the WKCD).

The Development Committee will continue its dialogue with TD so as to ensure smooth integration of the WKCD development with its adjacent pedestrian linkages and road schemes.

Museum Committee

The Museum Committee has adopted the recommendations of the then-Museums Advisory Group (“MAG”)—set up under the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD—on the vision, mission and key functions of M+ and the Exhibition Centre (“EC”) as the basis for formulating and recommending to the Board the strategies and policies for planning, developing and operating M+ and the EC. The Committee met two times during the year. Briefing sessions for Museum Committee members on the Consultancy Studies on Mode of Governance and Market Analysis of M+ and the EC were conducted.

The Committee has formed four sub-groups to focus on the four broad themes of M+, namely design, moving image, popular culture, and visual art (including ink art), as well as a sub-group focusing on cross-disciplinary synergy. The sub-group leaders met three times during the year and discussed the planning and possible programming of M+ in the interim period prior to the commissioning of M+, with a view to promoting the WKCD, connecting the WKCD with the community and nurturing a local audience base for M+.

Consultancy Study on Mode of Governance of M+ and the EC of the WKCD

Different modes of governance would have different implications for the day-to-day management and operation of M+ and the EC, programming and service priorities, as well as their facilities' spatial requirements. As such, the Authority commissioned, via an open tender, Cultural Innovations in August 2009 to conduct a consultancy study to recommend the most suitable mode of governance for M+ and the EC. The study aimed to deliberate on and recommend a most suitable mode of governance and external institutional relationships with government and non-government organisations for M+ and the EC. References were drawn from existing institutional models of successful and leading museums and exhibition centres that are comparable in terms of scale, functions, and objectives or themes.

The consultant drew references from the existing modes of governance for international benchmark museums and exhibition centres in the region, Asia Pacific, Europe and the United States that were deemed comparable. The consultant gave a presentation to the Museum Committee on its preliminary findings in March 2010, and subsequently conducted seven meetings with stakeholder groups from the arts and cultural sector in late March 2010 to collect their views on the preliminary findings. The findings and recommendations on the mode of governance of M+ and the EC will be submitted to the Museum Committee for consideration and the Board for approval. The Authority's management will also work out an implementation plan for the mode of governance of M+ and the EC after the Board's endorsement.

Consultancy Study on Market Analysis of M+ and the EC of the WKCD

In view of the large scale of M+ and the EC, the Authority has decided that it must plan the development of these facilities prudently to ensure effective use of public resources, and it must also allow for organic growth of the District. With these objectives in mind, the Authority commissioned, via an open tender, Economics Research Associates (now renamed as Economics under the AECOM Group) in August 2009 to conduct a consultancy study on market analysis of M+ and the EC of the WKCD. This was to project the potential attendance and utilisation of M+ and the EC by local residents as well as tourists visiting Hong Kong for the next 20 years up to 2030, and then recommend the phased development of these two facilities accordingly.

References of marketing strategies were also drawn from leading and successful museums and exhibition centres in the region, Asia Pacific, Europe and the United States. The findings and recommendations of the consultant will be submitted to the Development Committee and Museum Committee for consideration, and then submitted to the Board for endorsement. The recommended phased development of M+ and the EC, as endorsed by the Board, will be put forward in Stage 2 of the PE exercise for consultation with the public and stakeholders.

Interim M+ Programmes

The Museum Committee formed five sub-groups to discuss the preliminary planning and development of M+. The sub-group leaders met three times and agreed to launch Museum Research Programmes and a Curatorial Internship Programme. Both programmes target to be conducted in collaboration with local universities, academies and schools that offer arts and cultural courses, so as to establish M+'s relationship with local educational and research institutions in nurturing local researchers and museum professionals.

Museum Research

The Museum Committee decided that a museum research programme should be conducted so as to take stock of the available resources on the four initial broad groupings for M+, i.e. design, moving image, popular culture and visual art (including ink art), as well as on international Biennials and Triennials. This information would be of vital importance for the museum professionals of the Authority when formulating the collection and programming strategy for M+.

The research on the four themes includes stock-taking of related artists, collectors, scholars and institutions in their respective fields. The aim is to build up a database of available resources for further in-depth research, and for facilitating the M+ Executive Director's collection and programme planning for M+ in the future. Meanwhile, the research on international Biennials and Triennials includes a review of international Biennials and Triennials; an in-depth look at development trends; and a SWOT (strength, weakness, opportunity and threat) analysis that aims to build up a comprehensive reference database for the historical and current development of international Biennials and Triennials as well as provide a critical evaluation of M+'s positioning in organising its own major international arts events in the future. Invitations for research proposals have been sent to local universities and art research institutions. The research will commence in the latter part of 2010.

Curatorial Internship Programme

The Museum Committee decided that a Curatorial Internship Programme should be conducted since it is desirable for M+ to provide practical training opportunities for young art administrators and researchers. This will also help develop M+ as an incubation centre for young professionals in pursuit of a museum career.

Invitations have been sent to local universities for them to nominate suitable candidates. The internship programme is expected to commence in the latter part of 2010.

Performing Arts Committee

The Performing Arts Committee formulates the vision, mission and mode of governance of the WKCD's performing arts ("PA") venues for approval by the Board. It also formulates and recommends to the Board the strategies and policies for operation of the PA venues. The Committee has formed a small group to consider PA programmes and activities that might be organised in the interim period prior to the commissioning of the PA venues, with a view to promoting the WKCD, connecting it with the community and nurturing a local audience base for the PA venues. The Committee held two meetings, and the small group held one meeting during the year. Briefing sessions for PA Committee members on the Consultancy Studies on Mode of Governance and Market Analysis of the PA venues were conducted.

Consultancy Study on Mode of Governance of the Performing Arts Venues of the WKCD

Various modes of governance have different implications for the PA venues' day-to-day management, operation, programming and service priorities as well as their facilities' spatial requirements. As such, the Authority commissioned Positive Solutions in August 2009 via an open tender to conduct a consultancy study recommending the most suitable modes of governance for the WKCD's PA venues. The study aimed to deliberate on and recommend a most suitable mode of governance and external institutional relationships with government and non-government organisations for the new PA venues of the WKCD. The study also drew references from the existing institutional models of successful and leading PA venues that are comparable in terms of scale, function, vision and guiding principles.

References were drawn from international benchmark venues in the region, Asia Pacific, Europe and the United States. The consultant gave a presentation to the Performing Arts Committee on its preliminary findings in March 2010 and subsequently conducted three meetings with stakeholder groups from the performing arts field in late March 2010 to collect their views on them. The Authority's management will submit their recommendations on the mode of governance of the PA venues to the PA Committee for consideration and the Board for approval. The Authority's management will also work out an implementation plan after the Board's endorsement of the mode of governance.

Consultancy Study on Market Analysis of the Performing Arts Venues of the WKCD

In view of the large number of performing arts facilities to be built in the WKCD, the Authority recognises that it must plan the development of these facilities prudently to ensure effective use of public resources and also to allow for organic growth of the District. With these objectives in mind, the Authority commissioned, via an open tender, Deloitte Consulting (Hong Kong) Limited and its partner, AMS Planning & Research Corporation, in August 2009 to conduct a consultancy study on market analysis of the PA venues, estimate the potential attendance at future WKCD PA venues by local residents and tourists for the next 20 years up to 2030, and then recommend the phased development of PA venues accordingly. References of marketing strategies were also drawn from leading and successful PA venues in the region, Asia Pacific, Europe and the United States. The findings and recommendations of the consultant will be submitted to the Development Committee and Performing Arts Committee for consideration, and then submitted to the Board for endorsement. The recommended phased development of the PA venues as endorsed by the Board will be put forward in Stage 2 of the PE exercise for consultation with the public and stakeholders.

Performing Arts Programmes

The PA Committee and the small group held meetings to discuss possible approaches and formats for programmes that might be organised in the interim period prior to the commissioning of the PA venues, in order to familiarise the public with the WKCD and its content. They will further deliberate on possible programmes, taking into account site availability as reflected by the Conceptual Plan Options as well as the recommendations for the phasing of the PA venues as endorsed by the Board.

The Committee also indicated the Authority should collaborate with other arts and cultural organisations to develop cultural software for the benefit of the WKCD. It was envisaged that some of the PA programmes and activities, whether on or off the WKCD site, could be organised in collaboration with other arts and cultural institutions. The CEO and Performing Arts Executive Director will take the lead in organising these during the period leading up to the opening of the PA venues. Such activities will help brand the WKCD and build up audienceship in the long run.

Audit Committee

The Audit Committee considers and advises on financial and audit matters of the Authority. The Committee met twice during the year. It considered and recommended the statement of accounts for the period ended 31 March 2009 for approval of the Board. The Committee also reviewed and made recommendations to the Board on the authorised bank signatories and financial limits for the operation of bank accounts for the new appointment of staff, including the CEO and other senior executives. In addition, the Committee made recommendations for putting in place proper controls over the operation of the accounts held with the Hong Kong Monetary Authority (“HKMA”) for the placement of funds with the HKMA. It reviewed and updated relevant guidelines and accounting procedures. It also oversaw the selection of, and made recommendation to the Board on, the appointment of an independent external auditor, PricewaterhouseCoopers, to audit the statement of accounts of the Authority for the year ended 31 March 2010.

Investment Committee

The principal functions of the Investment Committee are to advise the Board on the investment objectives, guidelines and strategies of the Authority, as well as to monitor and oversee the investments made by the Authority. The Committee held four meetings during the year.

In January 2010, with the approval of the Board and the Financial Secretary pursuant to Section 23(1) of the WKCD Ordinance, the Authority placed HK\$6.5 billion with the Hong Kong Monetary Authority (“HKMA”) for a period of six years. The rate of return is determined annually in January and was fixed at 6.3% p.a. for 2010.

The Committee approved the appointment of an investment consultant in mid-December 2009 to advise the Authority on the investment strategy and investment guidelines for managing the funds of the Authority. Pending the finalisation of the investment strategy and the investment guidelines appropriate for the Authority, unused funds (other than the HK\$6.5 billion already placed with the HKMA) of the Authority were placed in time deposits with licensed banks in Hong Kong, which are fully protected under the Deposit Protection Scheme until end-2010.

Remuneration Committee

The Remuneration Committee makes recommendations to the Board on organisational structure as well as policies regarding staffing, remuneration, employment, discipline and dismissal, with reference to the Authority's overall goals and objectives.

The Committee had a busy schedule throughout the year and held seven meetings. It discussed the findings of the organisational structure and manpower study for the Authority as well as the provision of a medical insurance scheme and renewal of employee compensation coverage for the Authority's staff. It also oversaw the formulation of recruitment policy and recruitment plan for Authority staff and made recommendations to the Board on the terms and conditions of employment of senior executives of the Authority.

Organisational Structure and Manpower Study

The Committee closely reviewed the consultant's findings on the organisational structure and manpower study and put forward its recommendations to the Board for endorsement in May 2009. To enhance transparency, the key findings of the study as endorsed by the Board, including the organisational principles and the organisational structure and manpower plan of the Authority during the planning stage (2009 – 2011), were uploaded onto the Authority's website.

Recruitment of Senior Executives

After the endorsement of the organisational structure of the Authority by the Board, the Authority proceeded with the recruitment of senior executives of the Authority, including the CEO, Executive Directors, General Counsel, Internal Auditor, and senior professionals. These efforts were closely overseen by the Committee. Professional headhunting firms were engaged to assist the Authority in conducting searches for senior executives with a view to identifying the most suitable candidates for the posts. Apart from sourcing suitable candidates via headhunters, job advertisements for the vacancies were also placed in newspapers and the Authority's website to cast a wider net for candidates. The Authority received overwhelming response for the various posts.

The Committee also drew up a set of recruitment guidelines for the Authority to follow, and it established recruitment boards comprising members from the Board and relevant committees to shortlist candidates and conduct selection interviews. To ensure good corporate governance, all members of the recruitment boards were required to declare any actual or potential conflict of interest.

Declaration of Investments

The Committee continued to attach great importance to good corporate governance and considered that a set of guidelines for declaration of investments by the staff of the Authority upon their appointment and regularly thereafter should be adopted. The discussion on the draft guidelines by the Board was scheduled for April 2010.

Consultation Panel

A Consultation Panel has been established by the Board under Section 20 of the WKCD Ordinance to gather public views on matters related to the function of the Authority. The Consultation Panel was composed of 21 members of different sectors with relevant knowledge and experience. The terms of reference of the Consultation Panel are appended in the **Annex**. Meetings of the Consultation Panel are open to the public. Discussion papers and minutes of meetings of the Consultation Panel are available on the Authority's website.

The Consultation Panel held three meetings during the year and received a briefing by the Government on arts and cultural software in Hong Kong. The Consultation Panel discussed and made recommendations to the Board on the arrangements for Stage 1 of the PE exercise, including the list of stakeholder groups to be invited to PE meetings, formats of events, areas of consultation and publicity plans.

Members of the Consultation Panel gave many constructive views on the arrangements for Stage 1 PE exercise, including views on how to enhance the transparency of the exercise, resulting in the introduction of measures like uploading the audio recordings and transcripts of the PE events to the Authority's website to keep the public informed. Members also attached importance to presenting more background information on the WKCD project to the public to facilitate discussions; hence, videos showing examples of renowned international arts and cultural districts were included in each PE event, including public forums and small group meetings.

Members also attended the events and activities of Stage 1 of the PE exercise to gain first-hand information about the aspirations of the public for the WKCD development and the views of the stakeholder groups on the requirements for the facilities of the arts and cultural venues. The Chairman of the Consultation Panel chaired the discussions at the Opening Forum, the three public forums and the Youth Forum. Stage 1 of the PE exercise was successfully completed in January 2010, and the Report on the Analysis of Views for the Stage 1 PE exercise was published in end-March 2010.

Corporate Communications

To keep the public duly informed of the developments of the WKCD, the Authority has been proactive in communicating with the media and various stakeholders.

Throughout the year, the Authority conducted six briefings for the media. These covered the preparation, arrangements and results of Stage 1 of the PE exercise, as well as the recruitment of senior executives.

In September 2009, the Authority launched its first e-newsletter. The e-newsletter reports the activities of the Authority to keep the public and stakeholders updated on the progress of the WKCD project and the work of the Authority on various fronts. It is published every one to two months on the Authority's website and is sent to more than 3,000 subscribers and interested parties.

Members of the younger generations are the key stakeholders of the WKCD. It is therefore important to keep them well informed about the objectives, attributes and progress of the WKCD project. To familiarise them with the site and the planning of this mega arts and cultural project, the Authority collaborated with the Hong Kong Institute of Architects in organising 27 guided tours to the '2009 Hong Kong and Shenzhen Bi-City Biennale of Urbanism and Architecture', an exhibition held at the West Kowloon Waterfront Promenade. Over 1,000 participating students were briefed by the Authority's representatives on the planning and development of the WKCD, and they took a tour of the 2009 Hong Kong and Shenzhen Bi-City Biennale of Urbanism and Architecture. After the guided tours, participating students wrote down their hopes and wishes for the WKCD on wish cards. The comments that they made were enthusiastic, thoughtful and inspiring. According to the students, they all believe the cultural district will enrich and enliven Hong Kong's cultural milieu. The wish cards can be viewed on the Authority's website.



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1 Professor Stephen Cheung Yan-leung (left), Chairman of the Consultation Panel of the West Kowloon Cultural District Authority, and the Honourable Ronald Arculli (centre), Chairman of the Development Committee of the Authority, with Mr Stanley Wong (right), renowned artist, after unveiling the poster publicising the Stage 1 Public Engagement exercise for the West Kowloon Cultural District. The poster was designed by Mr Stanley Wong.

2 Professor Stephen Cheung Yan-leung, Chairman of the Consultation Panel of the Authority, and the Honourable Ronald Arculli, Chairman of the Development Committee of the Authority, speaks to the media.

3 The Authority organised guided tours for secondary school students in February 2010.



CULTURAL AF

**Corporate
Governance**

DISTRICT

The Authority believes that good corporate governance will help it fulfill its functions and pursue its objectives that are in the interest of the organisation and the public, lead to better corporate performance and reputation, and attain long-term, sustainable growth.

Declaration of Interest

Board and committee members shall disclose any registrable interest as detailed in the Standing Orders upon their first appointment and at the beginning of each calendar year after their appointment. They shall also declare interest on becoming aware of the existence of one not previously disclosed, or after the occurrence of any change to an interest previously disclosed. Board and committee members declared interest in early 2010. The updated register relating to disclosure of interest is made available for inspection by the public at the office of the Authority. To further enhance the transparency of disclosure of interest, the updated register has also been uploaded to the Authority's website (www.wkcda.hk) for public access.

Transparency Measures

The Authority believes that transparency is an important pillar of good governance. Apart from information on membership and declaration of interest of Board, Committee and Consultation Panel members, information on the Authority's organisational structure, manpower plan and staff contact has been uploaded to the Authority's website for public information.

The Board continued to open meetings that do not involve sensitive and commercial information to the public through live webcast on the Authority's website. It held three open meetings on 25 May, 20 July and 26 November 2009, at which the Board provided the public with a better understanding of the preparation of the Development Plan, the preparatory work for Stage 1 of the PE exercise and the design of the West Kowloon Terminus of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, a portion of which will be located below ground within the WKCD. The agenda, minutes and papers of the open sessions of the meetings have been uploaded to the Authority's website for public access.

The Authority has also adhered to the principle of maintaining transparency throughout Stage 1 of the PE exercise. The calendar of events, consultation leaflet, questionnaire, list of stakeholders and questions for discussion for focus group meetings are available on the Authority's website, together with audio recordings and transcripts of all the public forums and focus group meetings. The Report on the Analysis of Views for the Stage 1 Public Engagement Exercise, with the Executive Summary and Compendium, which contained all the views received during the exercise, have also been uploaded to the Authority's website.



West Kowloon Waterfront Promenade



WEST KOWLOON CULTURAL DISTRICT

Calendar of Events

05.2009

- The Board sets forth seven Planning Design Principles to shape the Development Plan of the WKCD on 25 May.
- The Consultation Panel holds the First Meeting on 27 May.
- The Board endorses the recommendations of the consultant undertaking the consultancy study on the organisational structure of the Authority for the planning stage of the WKCD project on 25 May.

07.2009

- The Board announces on 20 July the appointment of three Conceptual Plan Consultants, namely Fosters + Partners, Rocco Design Architects Limited and Office for Metropolitan Architecture, who will each prepare a Conceptual Plan Option for the WKCD, and a Project Consultant, Mott McDonald Hong Kong Limited, who will help prepare the WKCD Development Plan.

08.2009

- The Authority starts open recruitment for eight senior management positions – the Chief Executive Officer, six Executive Directors and the General Counsel.
- Consultancy studies on mode of governance for arts and cultural venues start.
- Consultancy studies on market analysis for arts and cultural venues kick off.



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3

1+2 Activities of the Stage 1
Public Engagement Exercise for the WKCD

3 Consultation Panel Meetings

09.2009

- The Authority announces on 21 September the commencement date of Stage 1 of the PE exercise for the WKCD (i.e. 8 October 2009), to last for three months. The exercise aims to gauge the public's expectations for the planning of the WKCD and the views of various stakeholder groups on their requirements for the facilities in the WKCD's arts and cultural venues, as well as their aspirations for the WKCD's cultural software development, including the provision of programmes and education-related activities.
- The WKCDA e-newsletter is launched.

10.2009 – 12.2009

- The Opening Forum of the Stage 1 PE exercise, officiated by the Chairman of the Board, is held on 8 October at Y-Square, Chai Wan. It is participated in by over 300 students and teachers from secondary schools, universities and art institutions.
- Throughout the three-month consultation period, 61 focus group meetings for over 1,700 stakeholder organisations are held.
- Three public forums take place in the Hong Kong Science Museum, the Hong Kong Arts Centre and the Tai Po Civic Centre on 25 October, 8 November and 6 December respectively.
- The Board decides on 26 November 2009 to extend the tenure of the non-Board members of the six Committees to 31 December 2010.
- A Youth Forum is organised on 20 December at the Hong Kong Convention and Exhibition Centre.

01.2010

- Stage 1 of the PE exercise ends on 7 January. Over 7,000 completed questionnaires and written submissions have been received.
- The Authority appoints Hewitt Associates L.L.C. as the investment consultant on 13 January to advise on investment strategy.
- The Authority places HK\$6.5 billion with the Hong Kong Monetary Authority on 14 January for a period of six years.

02.2010

- The Authority organises guided tours for secondary school students to visit the 2009 Hong Kong and Shenzhen Bi-City Biennale of Urbanism and Architecture, which is held at the West Kowloon Waterfront Promenade.

03.2010

- The Authority appoints Mr Graham Sheffield as its Chief Executive Officer on 24 March 2010.
- The Authority releases the findings of Stage 1 of the PE exercise on 31 March and publishes a compendium of all the views received during the exercise.
- The tenure of the Chairman and members of the Consultation Panel is extended for one year to 28 February 2011.



**Members of the Board
Committees and Consultation Panel**

The Board

Chairman

The Honourable Henry TANG Ying-yen, GBM, GBS, JP
Chief Secretary for Administration

Members (non-public officers)

The Honourable Ronald ARCULLI, GBM, GBS, JP
The Honourable Paul CHAN Mo-po, MH, JP
Mr Edmond CHUNG Kong-mo, JP
Ms Yuko HASEGAWA
The Honourable Jeffrey LAM Kin-fung, SBS, JP
Mr Andrew LAM Siu-lo, JP
Professor LEE Chack-fan, SBS, JP
Mr Victor LO Chung-wing, GBS, JP
Professor David LUNG Ping-yee, SBS, JP
Mr MA Fung-kwok, SBS, JP
Mr SIN Chung-kai, SBS, JP
Professor Jenny SO Fong-suk
Ms YIP Wing-sie, JP
Mr Danny YUNG Ning-tsun
Dr Allan ZEMAN, GBS, JP

Members (public officers)

The Honourable TSANG Tak-sing, GBS, JP
Secretary for Home Affairs
Alternate: Mrs Carrie YAU TSANG Ka-lai, GBS, JP
Ex-Permanent Secretary for Home Affairs
(up to 24 January 2010)

Mr Raymond YOUNG Lap-moon, JP
Permanent Secretary for Home Affairs
(from 25 January 2010 onwards)

The Honourable Carrie LAM CHENG Yuet-ngor, GBS, JP
Secretary for Development
Alternate: Mr MAK Chai-kwong, GBS, JP
Ex-Permanent Secretary for Development (Works)
(up to 15 June 2010)

Mr WAI Chi-sing, JP
Permanent Secretary for Development (Works)
(from 16 June 2010 onwards)

Professor the Honourable K C CHAN, SBS, JP
Secretary for Financial Services and the Treasury
Alternate: Ms Julia LEUNG Fung-yee
Under Secretary for Financial Services and the Treasury

Profile of Board Members

Chairman

The Honourable Henry TANG Ying-yen, GBM, GBS, JP

Chief Secretary for Administration

Mr Tang was appointed the Chief Secretary for Administration of the Hong Kong Special Administrative Region Government in July 2007. Prior to this appointment, he was the Financial Secretary and formerly the Secretary for Commerce, Industry and Technology. Mr Tang has been a Member of the Executive Council since 1997. He served as a Member of the Legislative Council from 1991 to 1998 and also served extensively on various government boards and public bodies. Before joining the Government in 2002, Mr Tang was a leading industrialist in Hong Kong. He was Chairman of the Federation of Hong Kong Industries and also a Committee Member of the Hong Kong General Chamber of Commerce.

Members (non-public officers)

The Honourable Ronald ARCULLI, GBM, GBS, JP

Mr Ronald Arculli is currently a Non-official Member of the Executive Council of the Hong Kong Special Administrative Region Government and Chairman of Hong Kong Exchanges and Clearing Limited. Effective January 2010, Mr Arculli serves as the Vice-Chairman and Board Director of the World Federation of Exchanges. He is a Senior Partner of King & Wood, the Hong Kong office of the largest law firm in Mainland China.

He is a Non-executive Director of Asia Art Archive Limited and a Member of the Executive Committee of the Hong Kong Arts Festival Society Limited. His long and distinguished public service also includes being a Member of the Legislative Council of Hong Kong (1988/2000), Chairman of the Hong Kong Jockey Club (2002/2006), Convenor of the Financial Matters Advisory Group and a member of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD (September 2006 to June 2007).

The Honourable Paul CHAN Mo-po, MH, JP

Mr Chan is a professional accountant and a Past President of the Hong Kong Institute of Certified Public Accountants. He is Chairman of the Legal Aid Services Council and a member of the Commission on Strategic Development, the Beat Drugs Fund Association and the Council of the Chinese University of Hong Kong. He is a current Member of the Legislative Council representing the Accountancy Functional Constituency.

Mr Edmond CHUNG Kong-mo, JP

Mr Chung has more than 10 years of experience in local community services ranging from welfare of local residents to the well being of the youth. He is Chairperson of the Schools Operating Authority Committee of the Hong Kong Award for Young People, and an elected member and Chairman of the Yau Tsim Mong District Council. Yau Tsim Mong is the district where the WKCD is located.

Ms Yuko HASEGAWA

Ms Hasegawa is Chief Curator of the Museum of Contemporary Art in Tokyo. She is a renowned curator on the international scene and has sophisticated expertise in curatorship as well as planning of newly built museums. Ms Hasegawa is the founding Artistic Director of the 21st Century Museum of Contemporary Art in Kanazawa and a former Board member of the International Council of Museums for Museums and Collections of Modern Art. She is also Artistic Director of the Inujima Island House Project, co-curator of the 29th Sao Paulo Biennale as well as Artistic Advisor of the 12th International Architecture Exhibition of the Biennale di Venezia. Ms Hasegawa has been a member of Asian Art Council at Solomon R. Guggenheim Museum since 2008.

The Honourable Jeffrey LAM Kin-fung, SBS, JP

Mr Lam is a veteran industrialist who has a broad range of experience in areas such as industrial and business promotion to innovation and technology support. His past and present public service covers, amongst others, the fields of transport, vocational training, trade promotion and anti-corruption. Mr Lam is a current Member of the Legislative Council.

Mr Andrew LAM Siu-lo, JP

Mr Lam is an experienced urban design planner. During his tenure as an Executive Director of the Urban Renewal Authority, Mr Lam pioneered the concept of public engagement in urban planning and design. Mr Lam has served on the Committee on Museums and is now a member of the Advisory Committee on Revitalisation of Historic Buildings and the Antiquities Advisory Board.

Professor LEE Chack-fan, SBS, JP

Professor Lee is Chair Professor of Geotechnical Engineering of the University of Hong Kong and is highly esteemed in the engineering field internationally. He has served as technical adviser to the World Bank, the United Nations Development Plan, the Asian Development Bank and the International Atomic Energy Agency. Professor Lee was Chairman of the Harbour-front Enhancement Committee from 2004 to 2010 and currently Chairman of the Council of the Lord Wilson Heritage Trust.

Mr Victor LO Chung-wing, GBS, JP

Mr Lo was a member of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD and the Convenor of the Museums Advisory Group. He is Chairman and Chief Executive of the Hong Kong-listed Gold Peak Industries (Holdings) Limited. He currently serves as Chairman of Board of Directors of the Hong Kong Design Centre and CreateSmart Initiative Vetting Committee. Mr Lo has interest in a wide variety of visual arts forms and is dedicated to the development of design and innovation. He was a Member of the Executive Council from November 2005 to January 2009, and Chairman of the Council of the Hong Kong Polytechnic University from 2004 to 2009.

Professor David LUNG Ping-ye, SBS, JP

A renowned architect, Professor Lung is Associate Dean of the Faculty of Architecture and holds the UNESCO (United Nations Educational, Scientific and Cultural Organisation) Chair of Cultural Heritage Resources Management of the University of Hong Kong. He is currently Chairman of the Environment and Conversation Fund Committee. Professor Lung was a member of the Culture and Heritage Commission and the Museums Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD.

Mr MA Fung-kwok, SBS, JP

Mr Ma is Chairman of the Hong Kong Arts Development Council. He has deep knowledge of the operation of local and overseas performing arts groups as well as different modes of governance of performing arts venues. He was a member of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD, and Deputy Chairman of the Council of the Hong Kong Academy for Performing Arts.

Mr SIN Chung-kai, SBS, JP

Mr Sin has a long record of public service. He was a Member of the Legislative Council representing the Information Technology Functional Constituency and the Convenor of the Working Group on Digital Entertainment. He was also a member of the Digital 21 Strategy Advisory Committee.

Professor Jenny SO Fong-suk

Professor So is Professor of Fine Arts and Director of the Institute of Chinese Studies at the Chinese University of Hong Kong. Previously, Professor So was Senior Curator at the Freer Gallery of Art and Arthur M. Sackler Gallery at the Smithsonian Institution, Washington, D.C., and she was responsible for all research and exhibition programmes of the collections of ancient Chinese art.

Ms YIP Wing-sie, JP

Ms Yip has been Music Director of the Hong Kong Sinfonietta since 2002 and is guest conductor to many Asian orchestras. She was a member of the Performing Arts and Tourism Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD. She is a current member of the Council of the Hong Kong Academy for Performing Arts.

Mr Danny YUNG Ning-tsun

An international renowned experimental art pioneer, Mr Yung is the founder cum Co-Artistic Director of Zuni Icosahedron, the epitome of a professional experimental arts company in Hong Kong, and is Chairperson of the Hong Kong Institute of Contemporary Culture and the Convener of the Chinese Creative Industries Forum. Throughout the years, his creativity in multi-disciplinary arts and contributions in cultural policy reform opened up new dialogues, possibilities and perspectives in the field of arts and culture. He is the recipient of the Merit Cross of the Order of Merit by the Federal Republic of Germany in 2009 in recognition of his contributions toward arts and cultural exchange between Germany and Hong Kong.

Dr Allan ZEMAN, GBS, JP

Dr Zeman was a member of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD and its Financial Matters Advisory Group. He is Chairman of the Board of the Ocean Park Corporation and Lan Kwai Fong Holdings Limited and Vice-Chairman of Wynn Macau Limited. Dr Zeman has successfully turned Lan Kwai Fong and the Ocean Park into attractions for both local and overseas visitors. He is a member of the Tourism Strategy Group, Commission on Strategic Development and the Business Facilitation Advisory Committee.

Members (public officers)

The Honourable TSANG Tak-sing, GBS, JP

Secretary for Home Affairs

Mr Tsang was appointed the Secretary for Home Affairs in July 2007. He had worked in the journalistic field for nearly 30 years before he joined the Government as a member of the Central Policy Unit.

The Honourable Carrie LAM CHENG Yuet-ngor, GBS, JP

Secretary for Development

Mrs Lam was appointed the Secretary for Development in July 2007. She joined the Administrative Service in 1980 and has served in various bureaux and departments during her career as a civil servant, including the Social Welfare Department, Housing, Planning and Lands Bureau, the Hong Kong Economic and Trade Office in London. She was the Permanent Secretary for Home Affairs before her appointment as the Secretary for Development.

Professor the Honourable K C CHAN, SBS, JP

Secretary for Financial Services and the Treasury

Professor Chan was appointed the Secretary for Financial Services and the Treasury in July 2007. Before joining the Government, he was Dean of Business and Management of the Hong Kong University of Science and Technology. Professor Chan has also served on the Consumer Council, the Hong Kong Futures Exchange, the Commission on Strategic Development, Commission on Poverty and the Hong Kong Council for Academic Accreditation.





Board Members of the West Kowloon Cultural District Authority

- 1 The Honourable Henry TANG Ying-yen, GBM, GBS, JP
Chief Secretary for Administration (Chairman)
- 2 The Honourable Ronald ARCULLI, GBM, GBS, JP
- 3 Professor LEE Chack-fan, SBS, JP
- 4 Ms YIP Wing-sie, JP
- 5 Mr Edmond CHUNG Kong-mo, JP
- 6 Professor David LUNG Ping-ye, SBS, JP
- 7 Ms Yuko HASEGAWA
- 8 Dr Allan ZEMAN, GBS, JP
- 9 Mr Victor LO Chung-wing, GBS, JP
- 10 Mr SIN Chung-kai, SBS, JP
- 11 Mr Andrew LAM Siu-lo, JP
- 12 Mr MA Fung-kwok, SBS, JP
- 13 The Honourable Jeffrey LAM Kin-fung, SBS, JP
- 14 Professor Jenny SO Fong-suk
- 15 Mr Danny YUNG Ning-tsun
- 16 The Honourable Paul CHAN Mo-po, MH, JP
- 17 The Honourable TSANG Tak-sing, GBS, JP
Secretary for Home Affairs
- 18 Professor the Honourable K C CHAN, SBS, JP
Secretary for Financial Services and the Treasury
- 19 The Honourable Carrie LAM CHENG Yuet-ngor, GBS, JP
Secretary for Development

Development Committee

Chairman

The Honourable Ronald ARCULLI,
GBM, GBS, JP

Members (non-public officers)

Board Members

Mr Edmond CHUNG Kong-mo, JP

Ms Yuko HASEGAWA

Mr Andrew LAM Siu-lo, JP

Professor LEE Chack-fan, SBS, JP

Mr Victor LO Chung-wing, GBS, JP

Professor David LUNG Ping-ye, SBS, JP

Mr SIN Chung-kai, SBS, JP

Professor Jenny SO Fong-suk

Ms YIP Wing-sie, JP

Mr Danny YUNG Ning-tsun

Dr Allan ZEMAN, GBS, JP

Non-Board Members

Mr Raymond FUNG Wing-kee

Mr LEE Shing-see, GBS, JP

Mr LIU Sing-cheong, JP

Members (public officers)

Representative from Development Bureau

Representative from Home Affairs Bureau

Profile of Non-Board Members

Mr Raymond FUNG Wing-kee

Mr Fung, an architect, designer and painter, has won numerous awards including the Ten Outstanding Young Persons' Award, Ten Outstanding Designers' Award and five Annual Awards of the Hong Kong Institute of Architects, plus 50 major awards in architecture, interior design and art. He is currently Adjunct Associate Professor at the School of Architecture

of the Chinese University of Hong Kong, a member of the Advisory Committee on Revitalization of Historical Buildings and the Advisory Committee on the Appearance of Bridges and Associated Structures, Honorary Advisor of LCSD Museums and Vice-Chairman of the Hong Kong Designers Association. He is also a co-writer of books on architecture and culture.

Mr LEE Shing-see, GBS, JP

Mr Lee, an experienced civil engineer, is a current member of the Board of Directors of Hong Kong Science and Technology Parks Corporation, Hong Kong Design Centre, Hong Kong Cyberport Management Company Limited, Construction Industry Council and the Environmental Impact Assessment Appeal Board Panel. Mr Lee was the Secretary for Works and Permanent Secretary (Transport and Works).

Mr LIU Sing-cheong, JP

Mr Liu is a chartered estate surveyor. He has extensive experience in property consultancy and development, including the integration of commercial facilities with arts and cultural activities, both in Hong Kong and the Mainland. He is a member of the Council of Hong Kong University of Science and Technology, Honorary Professor at the University of Hong Kong and Adjunct Professor at the Hong Kong Polytechnic University. He is also a member of the Board of Directors of Hong Kong Science and Technology Parks Corporation and a member of the Hong Kong Security and Guarding Services Industry Authority. He was a member of the Hong Kong Housing Authority and the founding Chairman of the Asia Pacific Board of the Royal Institution of Chartered Surveyors.

Museum Committee

Chairman

Mr Victor LO Chung-wing, GBS, JP

Members (non-public officers)

Board Members

Mr Edmond CHUNG Kong-mo, JP

Ms Yuko HASEGAWA

Mr Andrew LAM Siu-lo, JP

Professor LEE Chack-fan, SBS, JP

Mr MA Fung-kwok, SBS, JP

Mr SIN Chung-kai, SBS, JP

Professor Jenny SO Fong-suk

Mr Danny YUNG Ning-tsun

Non-Board Members

Ms Claire HSU

Mr LAU Wai-keung

Mr David PONG Chun-ye

Mr Alan WAN Siu-lun

Members (public officers)

Representative from Home Affairs Bureau

Representative from Leisure and
Cultural Services Department

Profile of Non-Board Members

Ms Claire HSU

Ms Hsu is the Executive Director and co-founder of Asia Art Archive, which is a public resource and platform for contemporary Asian art. Ms Hsu was a member of the Museums Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD. She is currently a member on the Board of The Foundation for Arts Initiatives (formerly the American Center Foundation), Advisory Board for Yishu magazine and the Advisory Committee of the Academy of Visual Arts of the Hong Kong Baptist University.

Ms Hsu has spoken in a number of forums around the world. She received the RBS Coutts/Financial Times Women in Asia Award 2009.

Mr LAU Wai-keung

Mr Lau is a film director and has been in the movie industry for nearly 30 years. He has directed many well-known films including "Infernal Affairs", "Initial D" and the "Young and Dangerous" series. Mr Lau is knowledgeable in moving images, and his works have been highly praised in Hong Kong, the Mainland and Hollywood. Mr Lau worked in the photography field in his early years and has rich experience in visual arts.

Mr David PONG Chun-ye

Mr Pong is the incumbent Vice-Chairman of the Ink Society and is knowledgeable in contemporary Chinese ink paintings. He is devoted to the promotion of cultural exchange between local and overseas visual arts. He is a member of the Board of Trustees of the Friends of the Hong Kong Museum of Art, and the Board of Trustees of the Asian Art Museum of San Francisco. Mr Pong is also a Council member of the Hong Kong Academy for Performing Arts, a co-opted Board member of the Hong Kong Arts Centre and a member of the Executive Committee of the Asian Cultural Council (HK Chapter).

Mr Alan WAN Siu-lun

Mr Wan has been serving as the Secretary of the Hong Kong Comics & Animation Federation Limited since 2002. He is knowledgeable in both youth culture and the creative arts. Mr Wan has a keen interest in digital entertainment and is devoted to the promotion of comics and animation in Hong Kong and the Mainland. He is currently an Adjudicator of the Panel of Adjudicators (Control of Obscene and Indecent Articles).

Performing Arts Committee

Chairman

Dr Allan ZEMAN, GBS, JP

Members (non-public officers)

Board Members

Professor LEE Chack-fan, SBS, JP

Mr MA Fung-kwok, SBS, JP

Professor Jenny SO Fong-suk

Ms YIP Wing-sie, JP

Mr Danny YUNG Ning-tsun

Non-Board Members

Mr Timothy CALNIN

(Tenure until 4 December 2009)

Mr Benny CHIA Chun-heng, BBS

Mr Jim CHIM Sui-man

Mr Willy TSAO Sing-yuen, BBS

Ms WANG Ming-chun, SBS

Members (public officers)

Representative from Home Affairs Bureau

Representative from Leisure and Cultural Services Department

Profile of Non-Board Members

Mr Timothy CALNIN

Mr Calnin joined the Hong Kong Philharmonic Society in January 2004 as an Artistic Consultant. He served as Chief Executive of the society from June 2005 until July 2009 and is well-versed in the development requirements for orchestral music. Mr Calnin was a member of the Performing Arts and Tourism Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD, the Artistic Administrator of the Sydney Symphony, and the General Manager of the Academy of Ancient Music in London.

Mr Benny CHIA Chun-heng, BBS

Mr Chia, the founder/director of the Hong Kong Festival Fringe Limited and the Artistic Director of the City Festival, was a member of the Museum Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD from April 2006 to June 2007. Mr Chia is experienced in performing and visual arts productions as well as the planning and staging of arts festivals. He was a founding member of the Hong Kong Arts Development Council and Chairman of the Visual Arts Committee. He has been a member of the Art Form Panel (Festivals) under the Programme and Development Committee of the Leisure and Cultural Services Department since November 2006. Currently, he sits on the Board of the Hong Kong International Film Festival, the HK Arts Administrators' Association and Hong Kong Architecture Centre among others.

Mr Jim CHIM Sui-man

Mr Chim is a renowned stage performer in the theatre arts sector in Hong Kong. He is the founding Managing Director and Artistic Director of the PIP Cultural Industries. He was a member of the Performing Arts and Tourism Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD. He was invited by the US State Department to visit the United States in 2006 as a grantee of the International Visitor Leadership Programme.

Mr Willy TSAO Sing-yuen, BBS

Mr Tsao is the Founder and Artistic Director of City Contemporary Dance Company. He was a member of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD. He is currently an Arts Adviser (Dance) of the Hong Kong Arts Development Council. He received the Dancer of the Year Award from the Hong Kong Artists Guild in 1988 and has been an Honorary Fellow of the Hong Kong Academy for Performing Arts since 2000.

Ms WANG Ming-chun, SBS

Ms Wang is a prominent figure in Cantonese opera and a famous TV artist in Hong Kong. She is the current Chairlady of the Chinese Artists Association of Hong Kong and a member of the People's Liberation Army Camp Visiting Committee Hong Kong. Ms Wang was a member of the Hong Kong Arts Development Council from January 1996 to December 1997 and a member of the Board of the Hong Kong Dance Company Limited from 2003 to 2005. Ms Wang served on the Advisory Panel on Chinese Opera of the then Urban Council from 1995 to 1998. She also served as an adviser for Performing Arts, Chinese Opera of the then-Regional Council from 1996 to 1998. Ms Wang received the Montblanc de la Culture Arts Patronage Award in 2007, and she was also a fundraising ambassador of the Hong Kong Chinese Orchestra from 2007 to 2008. Ms Wang has been an Honorary Doctor of Letters of the City University of Hong Kong since 2007 and an Honorary Fellow of the Hong Kong Academy for Performing Arts since 2009.

Audit Committee

Chairman

The Honourable Paul CHAN Mo-po, MH, JP

Members

Board Members

Mr Edmond CHUNG Kong-mo, JP

Mr Danny YUNG Ning-tsun

Non-Board Members

Mr Philip TSAI Wing-chung
(Tenure since 26 May 2009)

Dr Kam Pok-man
(Tenure until 31 March 2010)

Mr Wilson FUNG Ying-wai
(Tenure since 24 April 2010)

Profile of Non-Board Members

Mr Philip TSAI Wing-chung

Mr Tsai is an accountant by profession. He is currently Vice-President of the Hong Kong Institute of Certified Public Accountants and has been an elected member of its Council since December 2004. Mr Tsai also has extensive experience in serving the community. He is currently a member of the Vetting Committee of the Professional Services Development Assistance Scheme, Chairman of the Hospital Governing Committee of the Hong Kong Red Cross Blood Transfusion Service, Chairman of the Governing Sub-committee of the Hong Kong Bone Marrow Donor Registry and Chairman of the Department Advisory Committee of the Department of Accountancy of the City University of Hong Kong. Mr Tsai has also been a member of the Securities and Futures Appeals Tribunal since April 2007.

Dr KAM Pok-man

Dr Kam is a certified public accountant. He is a current member of the IFRS Advisory Committee of the International Accounting Standards Board. He was President of the Hong Kong Institute of Certified Public Accountants in 1999 and 2000.

Mr Wilson FUNG Ying-wai

Mr Fung is an accountant by profession. He is the Group Financial Controller of Jardine Matheson Limited and current President of the Hong Kong Institute of Certified Public Accountants. Mr Fung also has extensive experience in serving the community. He is currently Chairman of the Accounting Advisory Board, School of Business, The University of Hong Kong; a Convenor of the Financial Reporting Review Panel of the Financial Reporting Council and a Member of the HKU School of Professional and Continuing Education Business Studies Advisory Board. He is a Board Member and Treasurer of the Hong Kong Dance Company as well.

Investment Committee

Chairman

The Honourable TSANG Tak-sing, GBS, JP
Secretary for Home Affairs

Members (non-public officers)

Board Members

The Honourable Ronald ARCULLI,
GBM, GBS, JP

The Honourable Paul CHAN Mo-po, MH, JP

Mr SIN Chung-kai, SBS, JP

Mr Danny YUNG Ning-tsun

Dr Allan ZEMAN, GBS, JP

Non-Board Members

Mr Leo KUNG Lin-cheng, JP

Mr David SUN Tak-kei, BBS, JP

Mr Kevin WESTLEY, BBS

Members (public officers)

Representative from Financial Services
and the Treasury Bureau

Representative from Home Affairs Bureau

The Director of Accounting Services or
his representative

Profile of Non-Board Members

Mr Leo KUNG Lin-cheng, JP

Mr Kung is a professional in banking and financial services. Currently, Mr Kung is Deputy Chairman of the Board of the Ocean Park Corporation and a non-executive director of the Mandatory Provident Fund Schemes Authority. He is a member of the Start-up Loan for Post-secondary Education Providers Vetting Committee and the Selection Committee for the Allocation of Sites to Post-secondary Education Providers. He is also Convener of the Trustees of the Helping Hand Charitable Trust and Director of the Board of Directors.

Mr David SUN Tak-kei, BBS, JP

Mr Sun is active in the accountancy profession and the community. He served as President of the Hong Kong Institute of Certified Public Accountants in 2003 and currently serves on a number of Government appointed boards and committees, including the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority, the Mandatory Provident Fund Schemes Authority and Process Review Panel for the Securities and Futures Commission.

Mr Kevin WESTLEY, BBS

Mr Westley is a veteran of the banking and finance sector. He was a member of the Financial Matters Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD and is currently a member of the Real Estate Investment Trusts Committee of the Securities and Futures Commission and Personalised Vehicle Registration Marks Vetting Committee. He previously served as Chairman of the Takeovers and Mergers Panel of the Securities and Futures Commission and was a member of the Takeovers Appeal Committee of the Securities and Futures Commission.

Remuneration Committee

Chairman

Mr SIN Chung-kai, SBS, JP

Members (non-public officers)

Board Members

The Honourable Ronald ARCULLI, GBM, GBS, JP

The Honourable Jeffrey LAM Kin-fung, SBS, JP

Mr Danny YUNG Ning-tsun

Non-Board Members

Mr LAI Kam-tong

Members (public officers)

Representative from Home Affairs Bureau

Profile of Non-Board Members

Mr LAI Kam-tong

Mr Lai is an experienced human resources professional. He was President of the Hong Kong Institute of Human Resource Management (“HKIHRM”) and is currently Co-Chairman of the Remuneration Committee of the HKIHRM. He is also Acting Chairman of the Advisory Committee on Admission of Quality Migrants and Professionals, and a member of the Curriculum Development Council, the Independent Complaints Handling Committee, and the Committee on Labour Relations of the Labour Advisory Board.

Consultation Panel

Chairman

Professor Stephen CHEUNG Yan-leung,
BBS, JP

Members

Board Members

The Honourable Ronald ARCULLI,
GBM, GBS, JP

Mr Victor LO Chung-wing, GBS, JP

Dr Allan ZEMAN, GBS, JP

Non-Board Members

Mr Ronald CHAN Ngok-pang
(Tenure until 19 May 2010)

Mr CHENG Chi-ming

Mr Oscar HO Hing-kay

Mr Michael HUI Wah-kit, MH

Mr HUNG Chiu-wah

Ms KO Po-ling, BBS, MH, JP

Mr Bankee KWAN Pak-hoo

Ms Ida LAM Choi-chu

The Honourable LEE Wing-tat

Mr William LEUNG Wing-cheung, BBS, JP

Dr MAN Ying-ling

Mr Charles Peter MOK

Mr TAI Hay-lap, BBS, JP

The Honourable Paul TSE Wai-chun

Dr John TSE Wing-ling, MH

Ms Ada WONG Ying-kay, JP

Dr YAU Wing-kwong

Profile of Non-Board Members

Chairman

**Professor Stephen CHEUNG Yan-leung,
BBS, JP**

Professor Cheung is Dean and Professor (Chair) of Finance, School of Business of the Hong Kong Baptist University. He was a member of the Financial Matters Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD. He is Chairman of the Supervisory Committee of the ABF Hong Kong Bond Index Fund of the Hong Kong Monetary Authority, a panel member of the Financial Reporting Review Panel of the Financial Reporting Council, a member of the Commission on Strategic Development, the Operations Review Committee and the Witness Protection Review Board of the ICAC, the Steering Committee on Review of the Urban Renewal Strategy, Independent Police Complaints Council and incumbent Chairman of the Advisory Committee on Enhancing Self-Reliance Through District Partnership Programme of the Home Affairs Department. He is also an Independent Non-executive Director of the RoadShow Holdings Ltd.

Members

Mr Ronald CHAN Ngok-pang

Mr Chan was a member (elected) of the Southern District Council (1 January 2008 – 19 May 2010). He has a keen interest in policy research and public administration. He was a part-time member of the Central Policy Unit (2008-2010).

Mr CHENG Chi-ming

Mr Cheng is a visual artist and educator with expertise across various areas of the arts. He has extensive knowledge, experience and networks in the creative industry. He is a current member of the Panel of Film Censorship Advisers.

Mr Oscar HO Hing-kay

Mr Ho is a professional consultant to the Department of Cultural and Religious Studies of the Chinese University of Hong Kong. He was a member of the Museums Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD. He was formerly the Exhibition Director of the Hong Kong Arts Centre and founding Director of the Museum of Contemporary Art in Shanghai.

Mr Michael HUI Wah-kit, MH

Mr HUI, Honorary Secretary of the Hong Kong Chinese Importers' and Exporters' Association, is a part-time member of the Central Policy Unit and Chairman of the Import & Export Training Advisory Committee. He was Chairman of the Hong Kong United Youth Association from 2008 to 2009.

Mr HUNG Chiu-wah

Mr Hung is the elected District Council member of the Tsim Sha Tsui West Constituency (the constituency covering the Kowloon Station and the WKCD). He is a member of the Arts and Culture Committee of Yau Tsim Mong District Festival Organising Committee and the Express Rail Link Community Liaison Group (Yau Tsim Mong District – West Kowloon Terminus).

Ms KO Po-ling, BBS, MH, JP

Ms Ko is President of the Kowloon Federation of Associations. She has many years of community service in the Kowloon area and is active in liaising with the local business sector, arts and culture sector and concern groups on the WKCD project. Currently, she is an appointed member of the Yau Tsim Mong District Council and a member of the Basic Law Promotion Steering Committee

Mr Bankee KWAN Pak-hoo

Mr Kwan was a member of the Central Policy Unit. He is currently Honorary Advisor of Hong Kong Retail Management Association, Convenor of Retail Trade Training Board of Vocational Training Council, a member of the Consumer Council, the SME Development Fund Vetting Committee and the China Trade Advisory Committee of the Hong Kong Trade Development Council.

Ms Ida LAM Choi-chu

Ms Lam is Chairperson of the Arts with the Disabled Association Hong Kong. She has been involved in the arts with people with disabilities for over 20 years with a view to popularising and promoting the excellence of artists with disabilities. Ms Lam is a current member of the Committee on Performing Arts under the Home Affairs Bureau.

The Honourable LEE Wing-tat

Mr Lee is an elected Legislative Council (“LegCo”) member (NT West). He is the incumbent Vice-Chairman of the LegCo Joint Subcommittee to Monitor the Implementation of the WKCD Project under the Panel on Home Affairs and Panel on Development. Mr Lee is a current member of the Commission on Strategic Development and the Kwai Tsing District Council. He was a member of the Hong Kong Housing Authority.

Mr William LEUNG Wing-cheung, BBS, JP

Mr Leung is Chairman of the Council of the Hong Kong Academy for Performing Arts and Chairman of the Hong Kong Creative Arts Centre Limited. Mr Leung is a current member of the Employees Retraining Board, the Estate Agents Authority and the Sports Commission. He also served as a member of the Financial Matters Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD.

Dr MAN Ying-ling

Dr Man is an Assistant Professor at the Faculty of Languages of the Hong Kong Institute of Education and Vice-Chairperson of the Committee on Home-School Co-operation. Dr Man has devoted herself to the development of family-school cooperation and the promotion of language and cultural education.

Mr Charles Peter MOK

Mr Mok is the Vice-Chairman of the Professional Commons, an independent professional think tank that monitors the Government through professional analysis and research. He is a current member of the Digital 21 Strategy Advisory Committee and the Hospital Authority.

Mr TAI Hay-lap, BBS, JP

Mr Tai, Principal of Yan Oi Tong Tin Ka Ping Secondary School, is a well-respected educationalist and has served on a number of boards/committees in the education field, including the Education Commission and the Quality Education Fund Steering Committee. He is a current member of the University Grants Committee, the Council for Sustainable Development and the Committee on the Promotion of Civic Education.

The Honourable Paul TSE Wai-chun

Mr Tse is the Legislative Council member representing the Tourism Constituency. He is a current member of the Legislative Council Joint Subcommittee to Monitor the Implementation of the WKCD Project under the Panel on Home Affairs and Panel on Development, as well as the Tourism Strategy Group. Mr Tse was a member of the Consumer Relations Committee of the Travel Industry Council of Hong Kong.

Dr John TSE Wing-ling, MH

Dr Tse is an Associate Professor in the Department of Applied Social Studies of the City University of Hong Kong. He was an elected LegCo member and Vice-chairman of the Wan Chai District Council. Currently, he is a member of the Fight Crime Committee, Municipal Services Appeals Board and the Equal Opportunities Commission.

Ms Ada WONG Ying-kay, JP

Ms. Ada Wong was a member of the Museums Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD. She is Convenor of the People's Panel on West Kowloon, a current member of the Committee on Performing Arts under the Home Affairs Bureau, is on the Steering Committee on Review of the Urban Renewal Strategy and serves as Supervisor of the HKICC Lee Shau Kee School of Creativity.

Dr YAU Wing-kwong

Dr YAU Wing Kwong was the leader of a uniform youth organisation and a member of the Intangible Cultural Heritage Advisory Committee. He now chairs the Ping Wo Fund and is a member of the Advisory Council on the Environment, the Town Planning Board and the Country and Marine Park Board. He is also a District Councillor. The Fung Yuen Butterfly Reserve and the Tai Po Geoheritage Centre are part of Dr Yau's environmental work.





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Financial Highlights

For the year ended 31 March 2010

	HK\$ million*
Profit for the year	156
Capital – Endowment from the Government of HKSAR as of 31 March 2010	21,600
Time deposits with original maturities over three months as of 31 March 2010	15,140
Cash and cash equivalents as of 31 March 2010	59
Placement with the Hong Kong Monetary Authority as of 31 March 2010	6,586

* rounded to the nearest HK\$ million

CULTURAL

Report of the Members of the Board

DISCOVER

The members of the Board are pleased to submit the annual report of the West Kowloon Cultural District Authority ("the Authority") together with the audited statement of accounts for the year ended 31 March 2010.

The West Kowloon Cultural District Authority

The West Kowloon Cultural District Authority Ordinance ("the WKCDA Ordinance"), Cap. 601, came into operation on 11 July 2008 (date of establishment). The Authority was established to develop the West Kowloon Cultural District ("WKCD") into an integrated arts and cultural district.

Board members

The members of the Board since 1 April 2009 and up to the date of this report are set out on page 53.

Principal Activities

The functions and objectives of the Authority are stipulated in Sections 4(1) and 4(2) of the WKCDA Ordinance respectively. In brief, the Authority is responsible for the planning, development, operation and maintenance of the arts and cultural facilities, related facilities or ancillary facilities of the WKCD.

Statement of Accounts

The result of the Authority for the year ended 31 March 2010 and the state of affairs of the Authority as of 31 March 2010 are set out in the statement of accounts on pages 81 to 98.

Board members' interests in contracts

No contracts of significance, to which the Authority was a party and which a member of the Board had a material interest, subsisted at the end of the year or at any time during the year ended 31 March 2010.

Auditor

The statement of accounts has been audited by PricewaterhouseCoopers, which were first appointed by the Board in accordance with Section 29 of the WKCDA Ordinance in early 2010.



The Honourable Henry TANG Ying-yen, GBM, GBS, JP
Chairman of the Board
Hong Kong, 18 June 2010

INVEST

INDEPENDENT AUDITOR'S REPORT

KLONOW.COM

Independent auditor's report to the West Kowloon Cultural District Authority

(Established in Hong Kong pursuant to the West Kowloon Cultural District Authority Ordinance)

We have audited the statement of accounts of the West Kowloon Cultural District Authority (the "Authority") set out on pages 81 to 98, which comprises the balance sheet as at 31 March 2010, and the profit and loss account, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Board's responsibility for the statement of accounts

The Board of the Authority is responsible for the preparation and the true and fair presentation of the statement of accounts in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the statement of accounts that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the statement of accounts based on our audit and to report our opinion solely to you, as a body, in accordance with Section 29 of the West Kowloon Cultural District Authority Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the statement of accounts is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement of accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the statement of accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Authority, as well as evaluating the overall presentation of the statement of accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement of accounts gives a true and fair view of the state of affairs of the Authority as at 31 March 2010 and of its profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.



PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 18 June 2010

**STATEMENT OF
ACCOUNTS**

CULTURA

West Kowloon Cultural District Authority
Profit and Loss Account
For the year ended 31 March 2010

	Note	Year ended 31 March 2010 HK\$'000	From 11 July 2008 (date of establishment) to 31 March 2009 HK\$'000
Income			
Bank interest income		143,081	72,798
Income from placement with the Hong Kong Monetary Authority	2(e), 14(c)	86,388	-
Sundry income		<u>1</u>	<u>-</u>
		<u>229,470</u>	<u>72,798</u>
Expenses			
Staff costs	3	(20,254)	(7,249)
Other operating expenses	4	<u>(53,148)</u>	<u>(2,013)</u>
		<u>(73,402)</u>	<u>(9,262)</u>
Profit for the year/period		<u>156,068</u>	<u>63,536</u>

West Kowloon Cultural District Authority
Statement of Comprehensive Income
For the year ended 31 March 2010

	Year ended 31 March 2010 HK\$'000	From 11 July 2008 (date of establishment) to 31 March 2009 HK\$'000
Profit for the year/period	156,068	63,536
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year/period	<u>156,068</u>	<u>63,536</u>

West Kowloon Cultural District Authority
Balance Sheet
as at 31 March 2010

	Note	2010 HK\$'000	2009 HK\$'000
Non-current assets			
Plant and equipment	7	1,436	190
Placement with the Hong Kong Monetary Authority	8	6,586,388	-
		<u>6,587,824</u>	<u>190</u>
Current assets			
Bank interest receivable		43,471	72,776
Prepayments and deposit	9	-	18
Time deposits with original maturities over three months		15,140,000	21,573,400
Cash and cash equivalents	10	59,036	25,090
		<u>15,242,507</u>	<u>21,671,284</u>
Current liabilities			
Other payables and accruals	11	10,114	7,926
Net current assets		<u>15,232,393</u>	<u>21,663,358</u>
Total assets less current liabilities		<u>21,820,217</u>	<u>21,663,548</u>
Non-current liabilities			
Accrued contract gratuity		588	12
Other non-current liabilities		25	-
		<u>613</u>	<u>12</u>
Net assets		<u>21,819,604</u>	<u>21,663,536</u>
Equity			
Capital - Endowment from the Government of HKSAR	12	21,600,000	21,600,000
Reserve		219,604	63,536
		<u>21,819,604</u>	<u>21,663,536</u>

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Approved and authorised for issue by the Board of the Authority on 18 June 2010.



The Honourable Henry TANG Ying-yen,
 GBM, GBS, JP, Chairman of the Board
 West Kowloon Cultural District Authority



Dr Eva LAM Yee-wah, DBA
 Finance Executive Director
 West Kowloon Cultural District Authority

The notes on pages 87 to 98 form part of the statement of accounts.

West Kowloon Cultural District Authority
Statement of Changes in Equity
For the year ended 31 March 2010

	Capital - Endowment from the Government of HKSAR HK\$'000	Reserve HK\$'000	Total HK\$'000
Balance at 11 July 2008 (date of establishment)	-	-	-
Capital - Endowment from the Government of HKSAR	21,600,000	-	21,600,000
Comprehensive income for the period	<u>-</u>	<u>63,536</u>	<u>63,536</u>
Balance at 31 March 2009	21,600,000	63,536	21,663,536
Comprehensive income for the year	<u>-</u>	<u>156,068</u>	<u>156,068</u>
Balance at 31 March 2010	<u>21,600,000</u>	<u>219,604</u>	<u>21,819,604</u>

West Kowloon Cultural District Authority
Cash Flow Statement
For the year ended 31 March 2010

	Note	Year ended 31 March 2010 HK\$'000	From 11 July 2008 (date of establishment) to 31 March 2009 HK\$'000
Operating activities			
Profit for the year/period		156,068	63,536
Adjustments for:			
Depreciation		253	38
Bank interest income		(143,081)	(72,798)
Income from placement with the Hong Kong Monetary Authority	8	(86,388)	-
Changes in working capital:			
Decrease/(increase) in prepayments and deposit		18	(18)
Increase in other payables and accruals		2,188	7,926
Increase in non-current liabilities		601	12
Net cash used in operating activities		(70,341)	(1,304)
Investing activities			
Purchases of plant and equipment		(1,499)	(228)
Bank interest received		172,386	22
Placement with the Hong Kong Monetary Authority	8	(6,500,000)	-
Decrease/(increase) in time deposits with original maturities over three months		6,433,400	(21,573,400)
Net cash generated from/(used in) investing activities		104,287	(21,573,606)
Financing activities			
Capital - Endowment from the Government of HKSAR		-	21,600,000
Net cash generated from financing activities		-	21,600,000
Net increase in cash and cash equivalents		33,946	25,090
Cash and cash equivalents at beginning of year/period		25,090	-
Cash and cash equivalents at end of year/period	10	59,036	25,090

Notes to the Statement of Accounts For the year ended 31 March 2010

1 General information

The West Kowloon Cultural District Authority (“the Authority”) was established as a body corporate in Hong Kong under the West Kowloon Cultural District Authority Ordinance (“the WKCDA Ordinance”), Cap. 601, which was enacted on 11 July 2008. Its temporary office address is at 6/F & 7/F, 98 Caroline Hill Road, Causeway Bay, Hong Kong.

The functions and objectives of the Authority are stipulated in Sections (4)(1) and (4)(2) of the WKCDA Ordinance respectively. In brief, the principal activities of the Authority are the planning, development, operation and maintenance of the arts and cultural facilities, related facilities or ancillary facilities of the West Kowloon Cultural District.

2 Significant accounting policies

(a) Statement of compliance

The statement of accounts has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and accounting principles generally accepted in Hong Kong. The significant accounting policies applied in the preparation of this statement of accounts are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

(b) Basis of preparation

The statement of accounts has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The statement of accounts has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of the statement of accounts in conformity with HKFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revisions affect only that period, or in the period of the revision and future periods if the revisions affect both current and future periods.

(b) Basis of preparation (Continued)

(i) Adoption of new or revised HKFRS

In the current year, the Authority has adopted the following revised standard and amendment to an existing standard, which are relevant to its operations.

HKAS 1 (Revised), "Presentation of Financial Statements", prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the profit and loss account and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning of the comparative period in addition to the current requirement to present the balance sheets at the end of the current period and comparative period. The Authority has applied HKAS1 (Revised) from 1 April 2009, resulting in a new primary statement, the "Statement of Comprehensive Income", being presented in the statement of accounts.

HKFRS 7, "Financial Instruments – Disclosures" (amendment), requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

The adoption of the revised standard and the amendment to an existing standard listed above only resulted in additional disclosures. The changes in presentation and disclosures have no effect on the Authority's results of operations and financial position.

(ii) Standards, amendments and interpretations which are not yet effective

The following revised standards and amendments to existing standards, which are relevant to the Authority, have been published and are mandatory for accounting periods of the Authority beginning on or after 1st April 2010 or later periods and have not been early adopted:

		Effective for accounting periods beginning on or after
HKAS 24 (Revised)	Related Party Disclosures	1st January 2011
HKFRS 9	Financial Instruments	1st January 2013
Improvements to HKFRS - Amendments to: HKAS 7	Statement of Cash Flows	1st January 2010

The Authority has commenced an assessment of the impact of these revised standards and amendments but is not yet in a position to state whether these revised standards and amendments would have an impact on the results of operations and financial position of the Authority.

(c) Functional and presentation currency

Items included in the statement of accounts of the Authority are measured using the currency of the primary economic environment in which the Authority operates (the “functional currency”). The statement of accounts is presented in Hong Kong dollar, which is the Authority’s functional and presentation currency.

(d) Plant and equipment

Plant and equipment are stated in the balance sheet at historical cost less accumulated depreciation and any impairment losses. The historical cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition necessary for its intended use. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Depreciation is calculated on the straight-line basis to write off the cost of each item of plant and equipment over its estimated useful life, as follows:

Office furniture and equipment	3 years
Computer equipment	3 years

The estimated useful life of an asset is reviewed annually.

Gains or losses arising from the retirement or disposal of an item of plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised as income or expenditure in the profit and loss account on the date of retirement or disposal.

(e) Placement with the Hong Kong Monetary Authority

The Authority has designated the placement with the Hong Kong Monetary Authority (“HKMA”) as a “financial asset at fair value through profit or loss”. The Authority determines the classification of its financial assets at initial recognition, and such classification depends on the purpose for which the financial assets were acquired.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed to the profit and loss account. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Changes in fair value of “financial assets at fair value through profit or loss” are recognised in the profit and loss account in the period in which they arise.

(f) Bank interest receivable, prepayments and deposit

Bank interest receivable, prepayments and deposit are recognised at fair value and thereafter stated at amortised cost using effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

(g) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the plant and equipment may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the plant and equipment's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(i) Calculation of recoverable amount

The recoverable amount of the plant and equipment is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where the plant and equipment do not generate cash inflows largely independent of those from other assets, the recoverable amount is determined only for the cash-generating unit which is the smallest group of assets that includes the asset and generates cash inflows independently.

(ii) Reversals of impairment losses

An impairment loss is reversed if there has been a positive change in the estimates used to determine the recoverable amount.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in previous periods. Reversals of impairment losses are credited to the profit and loss account in the period in which the reversals are recognised.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and time deposits with original maturities of three months or less.

(i) Other payables and accruals

Other payables and accruals are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(j) Income recognition

Bank interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable.

Changes in fair value of the placement with HKMA, which is designated as a “financial asset at fair value through profit or loss”, are recognised as income in the profit and loss account in the period in which they arise.

(k) Employee benefits

Salaries and annual leave entitlements are accrued in the period in which the employees render the associated services. Staff on-costs, including pensions and housing benefits provided by the Government of HKSAR to the civil service staff seconded to the Authority, are charged as expenditure on an accrual basis in the period in which the associated services are rendered.

Contributions to Mandatory Provident Fund (MPF) schemes are charged as expenditure on an accrual basis in the period when related employees have rendered the associated services.

(l) Provisions and contingent liabilities

Provisions are recognised in the balance sheet when the Authority has a legal or constructive obligation of uncertain timing or amount as a result of a past event, and it is probable that the Authority will require an outflow of economic benefits to settle the obligation and the amount can be estimated reliably. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3 Staff costs

Staff costs for seconded staff from the Government of HKSAR and employees directly hired by the Authority are as follows:

	Year ended 31 March 2010 HK\$'000	From 11 July 2008 (date of establishment) to 31 March 2009 HK\$'000
Salaries, allowances and other benefits	18,044	6,163
Pensions and contributions to MPF schemes	<u>2,210</u>	<u>1,086</u>
	<u>20,254</u>	<u>7,249</u>

4 Other operating expenses

	Year ended 31 March 2010 HK\$'000	From 11 July 2008 (date of establishment) to 31 March 2009 HK\$'000
Consultancy fees (Note a)	40,627	-
Costs of hired services through employment agencies	2,137	620
Audit fee	85	85
Depreciation	253	38
Others (Note b)	<u>10,046</u>	<u>1,270</u>
	<u>53,148</u>	<u>2,013</u>

Notes:

- (a) During the year, the Authority has entered into three separate contracts with three consultants each to prepare a Conceptual Plan for the West Kowloon Cultural District (i.e., the Conceptual Plan Consultancy) and also a contract with another consultant to undertake the detailed technical and engineering feasibility study on the selected Conceptual Plan with a view to preparing a detailed Development Plan for submission to the Town Planning Board as well as to prepare the detailed functional requirements for the core arts and cultural facilities (i.e., the Project Consultancy). The total value for the four contracts for both the Conceptual Plan Consultancy and the Project Consultancy amounts to about HK\$230.0 million, of which around HK\$20.7 million has been charged to the profit and loss accounts in the year. The Authority has also entered into a number of other consultancy contracts during the year, totalling about HK\$39.6 million, of which around HK\$19.9 million has been expensed.
- (b) Included in "Others" are recruitment costs, IT and computer expenses, and expenditures incurred for public engagement exercises and public relations activities.

5 Board/Committee/Consultation Panel members' remuneration

The chairmen and members of the Board of the Authority, its Committees and the Consultation Panel of the Authority were not entitled to any remuneration for their services rendered to the Authority.

6 Taxation

Pursuant to Section 41(1) of the WKCD Ordinance, the Authority is exempt from taxation under the Inland Revenue Ordinance (Cap. 112). Pursuant to Section 41(2) of the WKCD Ordinance, the Authority is also exempt from stamp duty under the Stamp Duty Ordinance (Cap. 117) in respect of any instrument relating to (a) the conveyance of any immovable property under which the beneficial interest of the property passes by way of gift to the Authority; or (b) the transfer of any stock within the meaning of the Stamp Duty Ordinance, under which the beneficial interest of the stock passes by way of gift to the Authority.

7 Plant and equipment

	Office furniture and equipment HK\$'000	Computer equipment HK\$'000	Total HK\$'000
Cost			
At 11 July 2008 (date of establishment)	-	-	-
Additions	-	228	228
At 31 March 2009	-	228	228
Accumulated depreciation			
At 11 July 2008 (date of establishment)	-	-	-
Charge for the period	-	38	38
At 31 March 2009	-	38	38
Net book value			
At 31 March 2009	-	190	190
Cost			
At 1 April 2009	-	228	228
Additions	110	1,389	1,499
At 31 March 2010	110	1,617	1,727
Accumulated depreciation			
At 1 April 2009	-	38	38
Charge for the period	28	225	253
At 31 March 2010	28	263	291
Net book value			
At 31 March 2010	82	1,354	1,436

8 Placement with the Hong Kong Monetary Authority

In January 2010, the Authority placed HK\$6,500,000,000 (the “Principal Amount”) with HKMA for a period of six years during which time the Authority would not be able to withdraw the Principal Amount.

The rate of return on the placement, which is determined annually in January and payable annually in arrears on 31 December, is calculated on the basis of the average annual rate of return on certain investment portfolio of the Exchange Fund over the past six years or the average annual yield of three-year Exchange Fund Notes in the previous year (subject to a minimum of zero percent), whichever is the higher. This rate has been fixed at 6.3% per annum for 2010.

The Authority has designated the placement with HKMA as a “financial asset at fair value through profit or loss”. The financial asset is denominated in Hong Kong dollar. Its fair value, which is determined using the discounted cash flow model, approximates its carrying value.

9 Prepayments and deposit

	2010 HK\$'000	2009 HK\$'000
Prepayments	-	18
Deposit	-	-
	<u>-</u>	<u>18</u>

10 Cash and cash equivalents

	2010 HK\$'000	2009 HK\$'000
Cash at bank and in hand	19,036	8,990
Time deposits with original maturities of three months or less	<u>40,000</u>	<u>16,100</u>
	<u>59,036</u>	<u>25,090</u>

11 Other payables and accruals

	2010	2009
	HK\$'000	HK\$'000
Amount due to the Government of HKSAR	1,373	7,507
Accrued salaries, MPF contributions, and provision for annual leave entitlements	241	85
Accrued contract gratuity	144	-
Audit fee	85	85
Consultancy fee	5,479	-
Others	<u>2,792</u>	<u>249</u>
	<u>10,114</u>	<u>7,926</u>

12 Capital

On 4 July 2008, the Finance Committee of the Legislative Council of the Hong Kong Special Administrative Region ("HKSAR") approved an upfront endowment of HK\$21.6 billion to the Authority for developing the West Kowloon Cultural District.

Pursuant to Section 22(2) of the WKCDA Ordinance, the Authority shall (a) manage its finances (including resources) with due care and diligence; and (b) ensure the financial sustainability of the operation and management of arts and cultural facilities, related facilities and ancillary facilities.

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13 Material related party transactions

Parties are considered to be related to the Authority if the parties have the ability, directly or indirectly, to control the Authority or exercise significant influence over the Authority in making financial and operating decisions, or vice versa. Related parties also include key management personnel having authority and responsibility for planning, directing and controlling the activities of the Authority.

(a) Key management personnel remuneration

Remuneration of the following directors included in note 3 is as follows:

	2010	2009
	HK\$'000	HK\$'000
Project Director *	2,621	1,214
Legal Services Director *	89	852
Corporate Services Director *	<u>188</u>	<u>620</u>
	<u>2,898</u>	<u>2,686</u>

* These three directors are civil service staff seconded to the Authority on 13 October 2008, 10 October 2008 and 3 November 2008 respectively.

The secondment of the Legal Services Director and Corporate Services Director ended on 9 April 2009 and 2 May 2009 respectively.

(b) Other related party transactions

	2010 HK\$'000	2009 HK\$'000
Income from placement with the Hong Kong Monetary Authority (note i)	86,388	-
Salaries and related costs of staff seconded from the Government of HKSAR (note ii)	<u>13,151</u>	<u>7,139</u>

The temporary office of the Authority is located in a property owned by the Government of HKSAR. No office rental expense has been charged by the Government of HKSAR during the current year (2009: Nil).

Notes:

- (i) During the current year, the Authority has placed HK\$6,500,000,000 with HKMA at a rate of return which is determined annually (note 8).
- (ii) The Authority reimbursed the Government of HKSAR for costs incurred in relation to the salaries and allowances of staff seconded to the Authority.

14 Financial risk management

(a) Financial risk factors

Risk management is carried out by the Authority under approved policies. The Authority identifies and evaluates financial risks, and provides written principles for overall risk management.

(i) Credit risk

On 14 October 2008, the Government of HKSAR announced the use of the exchange fund to immediately guarantee repayment of all customer deposits held with all authorised institutions in Hong Kong (which cover licensed banks in the HKSAR, among others, and include HKSAR branches of overseas institutions) following the principles of the Deposit Protection Scheme, until the end of 2010. The bank balances of the Authority are kept in the said authorised institutions and are therefore fully protected under the said scheme.

The Authority believes it is prudent to place part of the funds with HKMA and expects HKMA to meet its contractual obligations to the Authority in respect of the placement.

(a) Financial risk factors (Continued)

(ii) Liquidity risk

The Authority's policy is to regularly monitor current and expected liquidity requirements to ensure that the Authority maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

Except for accrued contract gratuity which is payable in two years from the start of the employment contract without interest, other financial liabilities of the Authority at the balance sheet date do not bear interest and are payable within one year or on demand.

(iii) Sensitivity analysis

The Authority is exposed to interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits. Based on the time deposits balance as at 31 March 2010, if there were a general increase/decrease of 10 basis points in the annual interest rates on the same date, it is estimated that, with all other variables held constant, it would increase/decrease the Authority's bank interest income and reserve by approximately HK\$15.1 million (2009: HK\$21.6 million) a year.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for the time deposits in existence at that date.

The Authority is also exposed to financial risk arising from changes in the rate of return on the placement with HKMA, which is set annually in January. Based on the balance of the placement with HKMA as at 31 March 2010, if there were an increase/decrease of 10 basis points in the current year rate of return, it is estimated that, with all other variables held constant, the Authority's income from the placement with HKMA (earned between January and March 2010) and reserve would have increased/decreased by approximately HK\$6.5 million on an annualized basis.

(b) Capital risk management

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern and ensure the financial sustainability of the operation and management of the arts and cultural facilities, related facilities or ancillary facilities of the West Kowloon Cultural District.

The Authority's working capital is mainly financed by the Government's upfront endowment. Under West Kowloon Cultural District Authority Ordinance, the Authority is required to manage its finances with due care and diligence and invest the capital of the Authority in a financially prudent manner.

(c) Fair value estimation

Effective 1st April 2009, the Authority adopted the amendment to HKFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of the fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1. None of the instruments of the Authority is included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. None of the instruments of the Authority is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The placement with HKMA is included in level 3. The following table presents the changes in level 3 instruments for the year ended 31 March 2010:

	2010 HK\$'000	2009 HK\$'000
Opening balance	-	-
Addition	6,500,000	-
Income from placement with HKMA	<u>86,388</u>	-
Closing balance	<u><u>6,586,388</u></u>	<u><u>-</u></u>

ANNEX

DISTRICT

Terms of Reference of the Six Committees and the Consultation Panel

Development Committee

1. To consider and recommend to the Board the overall policies and strategies relating to the project planning and development of the WKCD with reference to the overall objectives of the Authority.
2. To consider and make recommendations to the Board on the viability of the proposed facilities, including proposals for defining project scope, engineering feasibility and cost in order to ensure an optimal utilisation of resources.
3. To consider and recommend to the Board a DP for the WKCD, any subsequent amendments to the DP and a Programme of Implementation of individual building and infrastructure projects contained in the DP.
4. To consider and recommend to the Board policies related to hiring of consultants and contractors, their management, and related contractual matters for the planning, design and construction either of individual projects or of the WKCD as a whole.
5. To consider the construction progress of arts and cultural facilities, and other related or ancillary facilities with reference to the overall objectives of the Authority as monitored by the management of the Authority for submission to the Board.
6. To consider and recommend to the Board any other matters related to project planning and development of the WKCD.
7. To perform any other functions as may be delegated to it by the Authority or assigned to it by the Board in accordance with the WKCD Ordinance.

Museum Committee

1. To formulate the vision, mission and mode of governance of the museums of the WKCD for approval by the Board.
2. To formulate and recommend to the Board for approval strategies and policies for operating the Authority's museums including collection, conservation, exhibition, loaning and disposal of artworks; and professional standards of museum operation.
3. To consider and recommend to the Board for approval the development strategies and policies for matters relating but not limited to the following :

- (a) partnership with governments, museums, relevant organisations and individual artists within and outside Hong Kong;
 - (b) seeking commercial sponsorship and donation;
 - (c) researches in different areas of visual culture;
 - (d) arts education to promote contemporary art to the local community; and
 - (e) nurturing and training of visual artists and related professionals relevant to the work of the Authority's museums.
4. To oversee and monitor the management and operation of the Authority's museums in accordance with the strategic directions, plans and budget endorsed by the Board.
 5. To consider and recommend to the Board for approval the overall strategy and policies with respect to the planning, development, management, hiring and operations of the EC within WKCD.
 6. To perform any other functions as may be delegated to it by the Authority or assigned to it by the Board in accordance with the WKCD Ordinance.

Performing Arts Committee

1. To formulate vision, mission and mode of governance of the performing arts venues of the WKCD for approval by the Board.
2. To formulate and recommend to the Board for approval the strategies and policies for operation of the performing arts venues, including but not limited to hiring of venues and performance standards of operation.
3. To consider and recommend to the Board for approval development strategies and policies relating but not limited to the following :
 - (a) partnership with governments, cultural organisations, other performing arts venues as well as performing arts groups and individual artists within and outside Hong Kong;
 - (b) seeking commercial sponsorship and donation;
 - (c) arts education to promote performing arts to the local community; and
 - (d) nurturing and training of performing arts artists and related professionals relevant to performing arts.

4. To oversee and monitor the management and operation of performing arts venues in accordance with the direction, strategic plans and budget endorsed by the Board.

5. To formulate and recommend to the Board for approval strategic directions and policies for management of the piazza areas.

6. To perform any other functions as may be delegated to it by the Authority or assigned to it by the Board in accordance with the WKCDA Ordinance.

Audit Committee

1. To consider any financial and audit matters of the Authority.

2. To make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor.

3. To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard, and to discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences.

4. To review and monitor the effectiveness of the Authority's financial controls, internal controls and risk management systems.

5. To consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response.

7. To perform any other functions as may be delegated to it by the Authority or assigned to it by the Board in accordance with the WKCDA Ordinance.

Investment Committee

1. To advise the Board on the Authority's investment objectives, guidelines and strategies, having regard to such classes or descriptions of investment as the Financial Secretary may specify in writing.

2. To monitor and oversee the investments made by the Authority and advise the Board on the Authority's strategic asset allocations to optimize its risk / return / liquidity objectives.

3. To advise the Board on the selection and appointment of investment consultants, fund managers and custodians and their terms and conditions.

4. To oversee and monitor the performance of investment consultants, fund managers and custodians appointed by the Authority; and to advise the Board on their performance and retention/termination, and the allocation of funds to fund managers.

5. To perform any other functions as may be delegated to it by the Authority or assigned to it by the Board in accordance with the WKCDA Ordinance.

Remuneration Committee

1. To make recommendations to the Board on organisational structure and policies on staffing, remuneration, employment, disciplinary and dismissal, with reference to the Authority's overall goals and objectives.

2. To make recommendations to the Board on the determination of terms and conditions of employment of employees, including the provision and maintenance of any schemes for the payment of pensions, gratuities and retirement benefits to the employees, former employees or their dependants.

3. To make recommendations to the Board on any other matter relating to the remuneration, allowances or benefits made available to its employees, former employees or their dependants referred or assigned to it by the Board.

4. To review and make recommendations to the Board on changes in salaries and terms and conditions of employment.

5. To perform any other functions as may be delegated to it by the Authority or assigned to it by the Board in accordance with the WKCDA Ordinance.

Consultation Panel

1. To plan consultation programmes on subjects as assigned by the Board taking into account views of relevant committees of the Authority and submit to the Board for approval.

2. To review and report to the Board the progress of the consultation programmes.

3. To ensure that the consultation is conducted in an open and transparent manner.

WEST

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西九文化區管理局

CULTURAL

DISTRICT