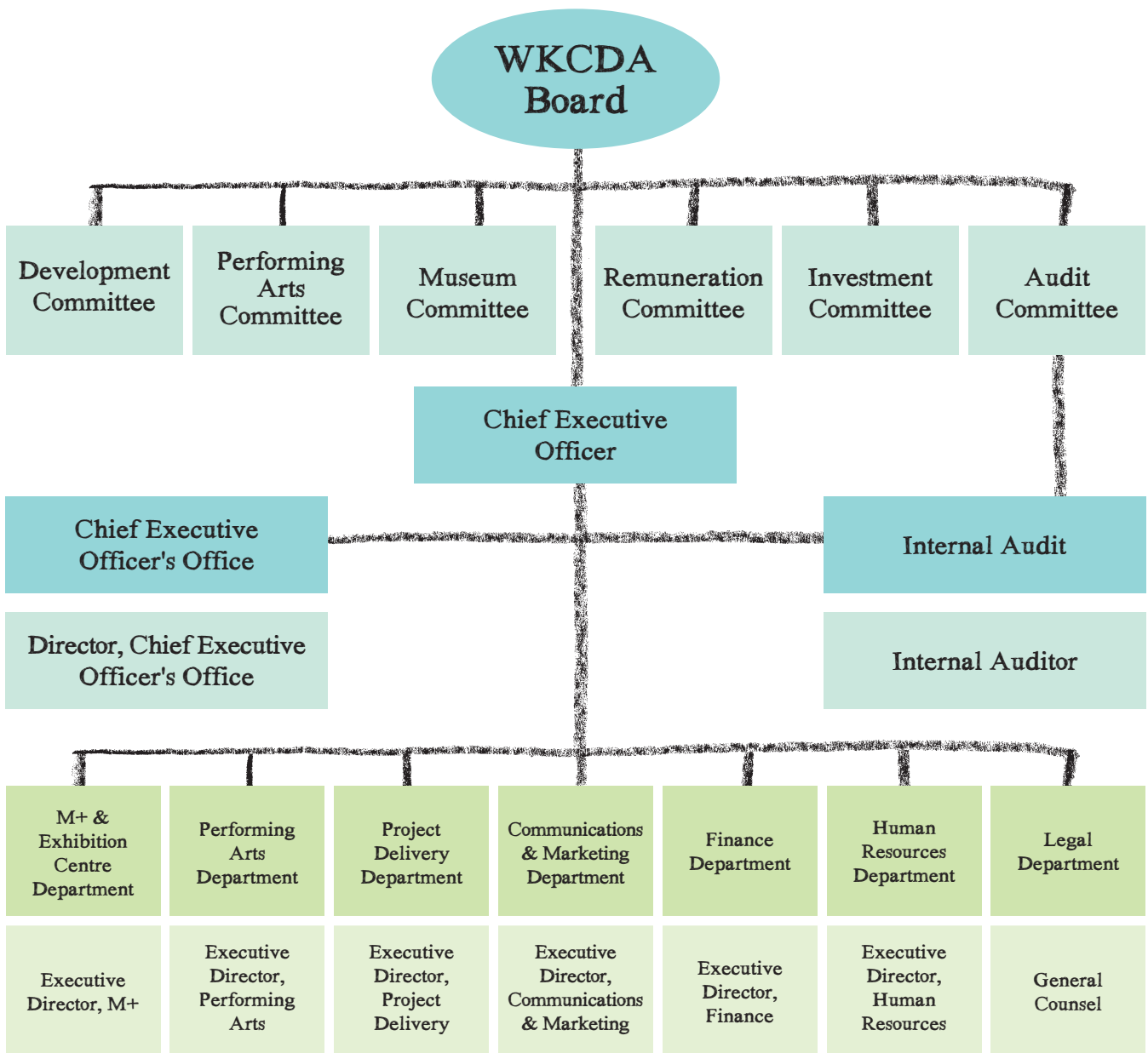


GOVERNANCE REPORT

A. THE BOARD AND SENIOR MANAGEMENT

i. Structure of the WKCDA





ii. Board Functions and Conduct of Business

The Board, the governing and executive body of the WKCDA, was established on 23 October 2008. All members had been re-appointed by the Chief Executive for another 2-year term from 23 October 2010 with the exception of Ms Yuko Hasegawa who resigned from the Board in September 2010. The Board currently comprises the Chairman, three public officer members, 15 non-public officer members, and the Chief Executive Officer of the WKCDA as an ex-officio member. Not only do Board Members have a diversity of expertise and experience, they also have distinguished records of community service.

The Board has adopted a set of Standing Orders and Code of Conduct to regulate its proceedings and ensure good corporate governance. Whilst the Standing Orders regulate matters related to Board proceedings and businesses, the Code of Conduct sets out the standard of conduct expected of all Board Members, which covers the arrangements with regard to acceptance of advantages and entertainment, management of conflict of interest, use of confidential or privileged information and public funds and misuse of capacity as a Board Member. Board Members are required to follow the requirements provided in the Code in exercising their duties.

Declaration of Interest

Board and Committee Members shall disclose any registrable interest as detailed in the Standing Orders on their first appointment and at the beginning of each calendar year after their appointment. They shall also declare their interests on becoming aware of the existence of one not previously disclosed, or after the occurrence of any change to an interest previously disclosed. The updated register relating to disclosures of interests is made available for inspection by the public at the office of the WKCDA. To further enhance transparency, the updated register is also uploaded to the WKCDA website for public access.

A register of attendance that records the attendance of Board and Committee Members at Board and Committee meetings respectively is made available for public inspection at the WKCDA's office.

Transparency Measures

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

The WKCDA has also adhered to the principle of maintaining transparency throughout PE2. The calendar of events, information on three Conceptual Plan Options, questionnaire, list of stakeholders are available on the WKCDA 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 2 Public Engagement Exercise, with the Executive Summary and Compendium, which contained all the views received during the exercise, have also been uploaded to the website.

The Board held eight meetings during the reporting year and decided on a number of strategic issues that are crucial to the future development of the WKCD and the operation of the WKCDA. These covered PE2, selection of a preferred Conceptual Plan Option, Committees and Consultation Panel membership, finance and investment, human resources, and planning for temporary use of the site.

A list of Board Members from 1 April 2010 to date is on page 68.

“ I hope that the WKCD will be the kind of place where one is allowed to sit on the grass rather than just look at it.

Art, like a good piece of science fiction, possesses the ability to actualise a present that is always already not there. ”

Nadim Abbas



“ To perform like it is the last show of life, and play as it's real on stage. ”

Joey Leung

“ Can a small piece of land create a force so strong that it can attract the best talents from around the world and become a cultural beacon? Sounds farfetched, but that is exactly what Hong Kong did. I trust that the WKCD will show us once again that Hong Kong is still capable of magic. ”

Leon Ko



“ I know I am but one of many who have been moved by art's awesome strength, which is why I look forward to a platform such as the WKCD to harness and amplify this power. Let's share the joy of being inspired! ”

Jonathan Wong



iii. Biography of Board Members

Chairman

1. 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 in July 2007. Prior to this appointment, he was the Financial Secretary and the former 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 and the Provisional Legislative Council for seven years from 1991 to 1998. Mr Tang 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)

2. 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 till October 2010 when he became Chairman and Board Director of the World Federation of Exchanges. He is a Senior Partner of King & Wood, the Hong Kong office of one of the largest law firms 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).

3. 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 and the Council of the Chinese University of Hong Kong. He is a current Member of the Legislative Council representing the Accountancy Functional Constituency.



4. 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 an elected member and Chairman of the Yau Tsim Mong District Council. Yau Tsim Mong is the district where the WKCD is located.

5. Mr Raymond FUNG Wing-kee, JP

Mr Fung is a renowned architect and ink-painter. He has won the Ten Outstanding Young Persons' Award, the Ten Outstanding Designers' Award and Home Affairs Bureau's Certificate of Commendation. He has also received five Annual Awards of the Hong Kong Institute of Architects, as well as 50 major awards in visual arts, architecture and interior design. Mr Fung is currently the Adjunct Associate Professor at the School of Architecture of the Chinese University of Hong Kong, a member of the Art Museum Advisory Panel and the Museum's Honorary Advisor. He is also a member of the Advisory Committee on Revitalisation of Historical Buildings and the Advisory Committee on the Appearance of Bridges and Associated Structures.

6. The Honourable Jeffrey LAM Kin-fung, GBS, 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.

7. 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.



8. Professor LEE Chack-fan, SBS, JP

Professor Lee is Director of HKU School of Professional and Continuing Education and Chair Professor of Geotechnical Engineering of The University of Hong Kong. He 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.

9. 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, Chairman of CreateSmart Initiative Vetting Committee, as well as Chairman of Board of Directors of The Hotel ICON Limited, which is the teaching and research hotel under The Hong Kong Polytechnic University. He was a Member of the Executive Council from 2005 to 2009. Mr Lo has interest in a wide variety of visual arts forms and is dedicated to the development of design and innovation.

10. Professor David LUNG Ping-ye, SBS, JP

A renowned architect, Professor Lung is Acting 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.

11. Mr MA Fung-kwok, SBS, JP

Mr Ma is former 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.



12. 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.

13. Professor Jenny SO Fong-suk

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

14. Ms YIP Wing-sie, JP

Ms Yip has been Music Director of the Hong Kong Sinfonietta since 2002 and has been guest conductor of various orchestras around the world. 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 was bestowed “Chevalier dans l’Ordre des Arts et des Lettres” by the Ministry of Culture and Communication of France in 2007 and was conferred as a Fellow of the Royal College of Music (FRCM) in 2010. She is also a member of the Council of the Hong Kong Academy for Performing Arts.

15. Mr Danny YUNG Ning-tsun

An international renowned experimental art pioneer, Mr Yung is the founder cum Co-Artistic Director of Zuni Icosahedron, a significant professional experimental arts company in Hong Kong; and he is also Chairperson of the Hong Kong Institute of Contemporary Culture and the Convenor of the Chinese Creative Industries Forum. His endeavour in multi-disciplinary arts and cultural policy reform in the past 30 years has opened up new dialogues, possibilities and perspectives in the field of arts and culture. He was bestowed the Merit Cross of the Order of Merit on Ribbon by the Federal Republic of Germany in 2009 in recognition of his contributions towards arts and cultural exchange between Germany and Hong Kong.

GOVERNANCE REPORT



16. Dr the Honourable Allan ZEMAN, GBM, 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 Commission on Strategic Development and the Food Business Task Force of Business Facilitation Advisory Committee.

Members (public officers)

17. 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.

18. The Honourable Mrs Carrie LAM, 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.

19. Professor the Honourable KC 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.

Alternate: Mr YOUNG Lap-moon, Raymond, JP, Permanent Secretary for Home Affairs

Alternate: Mr WAI Chi-sing, JP, Permanent Secretary for Development (Works)

Alternate: Ms Julia LEUNG Fung-ye, JP, Under Secretary for Financial Services and the Treasury

Ex-officio Member: Mr Michael LYNCH, CBE, AM

Chief Executive Officer of the West Kowloon Cultural District Authority



iv. Biography of Senior Executives

20. Mr Michael LYNCH, CBE, AM

Chief Executive Officer

Mr Lynch joined the West Kowloon Cultural District Authority in July 2011. He had a long and distinguished career in arts administration, serving as Chief Executive of the Sydney Opera House from 1998 to 2002 and then led the rejuvenation of London's Southbank Centre where he was Chief Executive from 2002 to 2009. Since then he has been a director of the Australian Broadcasting Corporation and a member of the Board of Film Victoria and the Myer Foundation. Mr Lynch was awarded an Order of Australia (AM) in the Queen's Birthday Honours List of 2001 for services to arts administration and as an advocate for Australian cultural life. In 2008, he was made a Commander of the British Empire (CBE) in the Birthday Honours for his services to the arts.

21. Ms Bonny WONG

Director, Chief Executive Officer's Office

Ms Wong joined the West Kowloon Cultural District Authority in August 2010. She was formerly the Head of Charities at the Hong Kong Jockey Club, where she was in charge of the overall operations of the department including donations, personnel management and administrative matters. She was also instrumental in conceptualising and initiating various major social and educational projects during her term of office. Ms Wong's first degree was Bachelor of Arts, majoring in music. She qualified as a solicitor in the United Kingdom and has practised law in both the United Kingdom and Hong Kong.

22. Dr Lars NITTVÉ

Executive Director, M+

Dr Nittve joined the West Kowloon Cultural District Authority in January 2011. He was formerly a director of the Moderna Musset from 2001 to 2010 and the first director of Tate Modern in 1998. Dr Nittve has over 30 years of international experience as a director, curator and educator of the arts, serving at the University of Stockholm, the Rooseum in Malmo, Sweden, and the Louisiana Museum of Modern Art in Humlebaek, Denmark. Dr Nittve was awarded an honorary PhD at Umeå University in Sweden and he was named professor at the same university in 2010.



23. Mr Louis YU Kwok-lit

Executive Director, Performing Arts

Mr Yu joined the West Kowloon Cultural District Authority in June 2010. He was formerly the Chief Executive of the Hong Kong Arts Development Council. Mr Yu has also worked with the Hong Kong Arts Centre for 13 years and worked as the Executive Director of the Hong Kong Arts Centre from 2000-2007. He has over 20 years of experience in arts administration and management and is now member of the Venue Partnership Committee of the Leisure and Cultural Services Department. Mr Yu was the advisor of the Drama School of the Hong Kong Academy for Performing Arts.

24. Dr CHAN Man-wai

Executive Director, Project Delivery

Dr Chan joined the West Kowloon Cultural District Authority in May 2010. He was formerly the Vice President (Projects and Facilities) of the Hong Kong Science and Technology Parks Corporation reporting directly to the CEO. He has over 30 years of experience overseeing the planning, construction, and management of large-scale development projects, both local and overseas.

25. Mr Garmen CHAN Ka-yiu

Executive Director, Communications and Marketing

Mr Chan joined the West Kowloon Cultural District Authority in August 2010. He was formerly the Senior Vice President, External Affairs for the i-CABLE Communications Limited, where he has worked for 15 years. He has played a key role in helping drive i-CABLE's business through effective communications strategies and acting as the company spokesperson. His experience includes years of liaison with Government bodies, the Legislative Council and the media. He has worked for nearly 35 years in journalism, communications and public affairs.



26. Dr Eva LAM

Executive Director, Finance

Dr Lam joined the West Kowloon Cultural District Authority in April 2010. A professional accountant, Dr Lam was formerly the Executive Director and Group Chief Financial Officer of IDT International Limited, where she played a key role developing the strategies and development of the group as well as managing its finances and performance. Prior to that, Dr Lam had more than 21 years experience working in the telecommunication industries and few years in external audit with one of the Big Four, Deloitte Touche Tohmatsu.

27. Ms Eva KWONG

Executive Director, Human Resources

Ms Kwong joined the West Kowloon Cultural District Authority in June 2010. She was formerly the Human Resources Manager for the CLP Power Hong Kong Limited, where she oversaw all human resources functions and change management initiatives for the company's Generation Business Group. She has over 16 years of management experience, including time spent with regional and multinational companies such as Merck Sharp & Dohme (China) Limited, United Airlines and Kowloon-Canton Railway Corporation.

28. Mr Michael RANDALL

General Counsel

Mr Randall joined the West Kowloon Cultural District Authority in April 2010. He was formerly a senior legal adviser with the Hong Kong Government from where he was seconded to the Provisional Airport Authority and the New Airport Project Co-ordination Office. He was then the Senior Legal Adviser – Projects for the KCRC and most recently was the Principal Legal Adviser – Projects and International Business for the Mass Transit Railway Corporation, specialising in infrastructure development and international business consultancies in railway construction, operations and maintenance.

“ Theatre is a 'breathing' space for life. ”

Mercy Wong



“ Local art and culture no longer builds on top of the wet market or garbage station. We should really make good use of this big piece of land. ”

Matthew Cheng



“ Art is a force to initiate changes and ignite reflective inspirations to our culture, and I value genuine artists more than expensive art works. ”

Chan Yee-shan



B. COMMITTEES/CONSULTATION PANEL

i. Functions and Conduct of Business

Six Committees are established under the Board, namely Development Committee, Performing Arts Committee, Museum Committee, Remuneration Committee, Investment Committee and Audit Committee, as well as the Consultation Panel.

The Committees generally follow the Standing Orders and Code of Conduct adopted by the Board in conducting their businesses.

The Consultation Panel also adopts a set of Guidelines governing its conduct of business. All meetings of the Consultation Panel are open to the public.

Development Committee

The key functions of the Development Committee are to advise the Board on the overall policies and strategies relating to the project planning and development of the WKCD. It recommends to the Board a DP for the WKCD, and advises the Board on the viability of the proposed facilities. The Committee also considers the construction progress, programme of implementation of individual building and infrastructure projects, hiring and management of consultants and contractors and related contractual matters for the planning, design and construction either of individual projects or of the WKCD as a whole.

Following this scope, during the year under review, the Committee held eight meetings to deliberate on the followings issues:

Public Engagement

- Findings of the Stage 1 Public Engagement
- Scope of Stage 2 Public Engagement
- Participation of the WKCDA at 12th Venice Biennale International Architectural Exhibition
- Approving the Preliminary Schedule of Accommodation and the Artistic Positioning of Different Performing Arts Facilities



Conceptual Plan Options and Selection

- Approaches and Assumptions for Financial Analysis adopted by Conceptual Plan Consultants
- Selection Mechanism for the Conceptual Plan Options
- Interfacing Issues between WKCD and West Kowloon Terminus of the Express Rail Link
- Findings of the Technical Appraisal by the Technical Advisory Panel

Consultancies Management

- Consultancy Study on Market Analysis of the Performing Arts Venues
- Consultancy Study on Market Analysis of the Museum and Exhibition Centre
- Consultancy to provide Specialist Advice on Procurement Strategy of the CACF (Core Arts and Cultural Facilities) and Communal Facilities of the WKCD
- Risk Analysis Report on Various Ongoing Consultancies

Implementation Programme

- Priorities and Timing of Performing Arts Venues in Phase 1 of the WKCD
- Phased Development of the Museum and Exhibition Centre – Management's Recommendations

On 18 Oct 2010, a Working Group of the WKCDA and the MTR Corporation Limited was set up to consider interfacing issues between the WKCD and the West Kowloon Terminus of Express Rail Link ("XRL") and to advise on resolution of the interfacing planning, urban design and technical features of the WKCD and the XRL relating to the preparation of the DP and to review and monitor the working progress on the resolution of key and critical problems involved.



Performing Arts Committee

The principal functions of the Performing Arts Committee are to formulate the vision, mission and mode of governance of the WKCD's Performing Arts ("PA") venues for approval by the Board. It also recommends to the Board strategies and policies for the operation of the PA venues. During the year, six meetings were held.

The Committee's major task during the year was to develop the artistic positioning, technical features and priority of PA facilities in WKCD with the participation of arts and cultural groups. The Committee considered a report by the Management on a series of Stakeholder Meetings held from December 2010 to January 2011. The stakeholders' views collected were to help the WKCD in making the phasing decisions and in further refining the Schedules of Accommodation for PA facilities.

In early 2011, the Committee discussed the Management's initial appraisal of the three Conceptual Plan Options. Members' views presented to the Selection Panel for the selection of the preferred Conceptual Plan Option.

To cultivate software development, the Board has allocated annual sum for PA programmes and activities since 2009/10. The Committee deliberated on the programme directions and proposed programmes for 2010/11. It was agreed that the directions of PA programmes in the interim period would be mainly capacity building and audience development.

Museum Committee

The Museum Committee formulates and recommends to the Board the strategies and policies for planning, developing and operating M+ and the Exhibition Centre ("EC").

The Committee met four times during 2010/11. Three of these meetings were held after the Executive Director for M+ and EC, Dr Lars Nittve, took up his post on 10 January 2011.

The Committee has in its four meetings focused on, in order, the organisation structure of the core M+ team; the M+ and EC perspective on the three Conceptual Plan Options; the Governance Model for M+ and the Vision for the future museum and the Exhibition Centre.

With the management of the M+ team coming on board, the sub-groups formed during the previous year were dissolved. A sub-committee, with its focus on studying the role and character of the Exhibition Centre, was formed. The Exhibition Sub-committee was chaired by the Committee Chairman Mr Victor Lo.

Remuneration Committee

The Remuneration Committee makes recommendations to the Board on organisational structure and policies regarding staffing, remuneration, employment, discipline and dismissal, with reference to the WKCDA's overall goals and objectives. It also oversees any other matters relating to remuneration, allowances or benefits made available to the WKCDA's employees, former employees or their dependants referred or assigned to it by the Board.

The Committee had a busy schedule throughout the year and held eight meetings. It reviewed the organisational structure and manpower planning for the WKCDA in the next three years, recruitment of Senior Executives, formulation of policies and guidelines on human resources matters as well as the provision of medical examinations to Senior Executives. It also endorsed the conducting of a review on the benefits and remuneration system for the WKCDA.

Organisational Structure and Manpower Review

To cope with evolving business growth and operation needs of individual departments, the Committee endorsed the review of organisational structure and manpower plans of certain departments as recommended by respective Executive Directors.

Recruitment of Senior Executives

The Committee closely oversaw the recruitment of Senior Executives of the WKCDA, including Executive Directors, Director of the Chief Executive Officer's Office, senior professionals, and the Chief Executive Officer. It also made recommendations to the Board on the terms and conditions of employment of Senior Executives of the WKCDA.

Formulation of Policies and Guidelines

To ensure the WKCDA has proper guidelines to govern and monitor its human resources related activities, the Committee oversaw the formulation of related policies and guidelines regarding declaration of investment, remuneration management and staff cost control, recruitment and appointment, contract renewal, performance management, training and development, handling of employee data, annual leave, compassionate leave, entertainment expenses, and duty visits outside of Hong Kong.

Medical Examinations

To facilitate Senior Executives to monitor their health as part of overall risk management, the Committee recommended to the Board the provision of pre-employment medical check-ups to the selected candidates for senior executive positions and an annual medical check-up for Senior Executives on a voluntary basis.

Benefits Survey and Remuneration System Review

The Committee continued to attach great importance to the WKCDA's competitiveness in talent acquisition and retention. A benefits survey and a remuneration system review were conducted by professional human resources consultancy firms to provide perspectives for reviewing the WKCDA's remuneration programme as a whole. Based on the results of those surveys, recommendations on the remuneration strategy and pay structure endorsed by the Committee were put forth to the Board for consideration.

Investment Committee

The principal functions of the Investment Committee are to advise the Board on the investment objectives, guidelines and strategies of the WKCDA, as well as to monitor and oversee the investments made by the WKCDA. The Committee held three meetings during the year and considered a total of 14 papers including those by circulation.

The Committee reviewed and made recommendations to the Board a number of investment proposals.

Further Placement of HK\$3.5 Billion with the Hong Kong Monetary Authority ("HKMA")

After due consideration, the Committee endorsed and made recommendation to the Board to place an additional fund of HK\$3.5 billion with the HKMA for a period of six years, making the total amount of long-term investment placed with the HKMA at approximately HK\$10.7 billion (including accrued investment income) as at 31 March 2011. The rate of return is determined annually in January and was fixed at 6.3% p.a. for 2010 and 6.0% p.a. for 2011.

Investment in Renminbi ("RMB") Products

The Committee endorsed and made recommendation to the Board for investment in RMB bank deposits, certificate of deposits and bonds to enhance yield. A maximum exposure limit has been set at 10% of the total funds as at 31 March 2011. An initial HK\$1.08 billion was converted to RMB for short-term bank deposit placement after approval had been obtained from the Board and the Financial Secretary.

Adding Bank Counterparties

To reduce concentration risk, the Committee endorsed and made recommendation to the Board the addition of six A-rated foreign banks into WKCDA's approved banks list. The addition of bank counterparties also enhanced the average yield of bank deposits.

Interim Investment Strategy

Pending the finalisation of project cashflow, the Committee endorsed WKCDA's recommendation and has adopted an Interim Investment Strategy focusing on financial prudence and cashflow requirements.

Audit Committee

The Audit Committee considers and advises on financial and audit matters of the WKCDA. The Committee held three meetings during the year. It considered and recommended the statement of accounts for the year ended 31 March 2010 for approval of the Board.

The Committee also reviewed reports on risk assessment and audit reviews conducted by Internal Audit to evaluate and improve internal controls covering the key risk areas of the WKCDA.

In addition, the Committee reviewed and made recommendations to the Board on:

- Authorised signatories for the operation of accounts held with HKMA.
- Financial approval limits and delegations to Management of the WKCDA for the approval of expenditure and authorisation of payments.
- Guidelines for the purchase and sale of foreign currencies and RMB certificates of deposit/ bond investments.
- Procedures for placement and renewal of fixed deposits including foreign currencies.



Consultation Panel

A Consultation Panel (“CP”) has been established by the Board under Section 20 of the WKCDA Ordinance to gather public views on matters related to the function of the WKCDA. The CP is composed of 21 members coming from different sectors of the community with relevant knowledge and experience. Meetings of the CP are open to the public. Discussion papers and minutes of meetings of the CP are available on the WKCDA website.

The CP held three meetings during the year where it discussed and made recommendations to the Board on the arrangements for PE2, including the list of stakeholder groups to be invited to PE meetings, the format of events, areas of public engagement and publicity plans.

Members of the CP provided many constructive views on the arrangements for PE2. Under a special programme suggested by CP Members, the WKCDA conducted forums and school tours to solicit views from students and youth, who will be the future users of the WKCD. Around 4,000 students from 78 schools visited the exhibitions during PE2. To cater for the special needs of persons with disabilities, the venues for the roving exhibition were accessible by all and special guided tours were arranged for persons with disabilities. In addition, a forum for the Yau Tsim Mong district leaders and residents was held in order to enhance communication with the neighbouring community of the WKCD.

Members of the CP also attended the events and activities of PE2 to gain first-hand information about the public view on the three Conceptual Plan Options. The Chairman of the CP hosted discussions at five public forums and a Youth Forum. PE2 was successfully completed in November 2010, and the Report on the Analysis of Views for the Stage 2 PE exercise was published in February 2011.

ii. Membership List

Please refer to pages 69 to 71 for membership lists of Committees and Consultation Panel.

“ Show the world with imagination.
Change the world with action. ”

Andrew Chan / Chan Shiu-yu



“ Offering new surprising opportunities
for Hong Kong based architects, young
curators, artists, designers that encompass
a shared spirit in our creative struggles
towards excellence. ”

Marisa Yiu

“ We are still not utilising the cultural and historical benefits to brew art. With advanced social infrastructure and degree of social freedom, Hong Kong is still a good place to develop an art village. ”

Chet Lam



“ West Kowloon is a door that opens up a new art horizon. Inside it is a rich soil for many independent musicians. I hope West Kowloon is a real cultural base for musician or performance to get the respect they deserved. ”

Eman Lam



GOVERNANCE REPORT

BOARD OF THE WKCDA MEMBERSHIP LIST

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
Mr Raymond FUNG Wing-kee, JP (since 23 October 2010)
Ms Yuko HASEGAWA (until 22 September 2010)
The Honourable Jeffrey LAM Kin-fung, GBS, JP
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 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 the Honourable Allan ZEMAN, GBM, GBS, JP

Members (public officers):

The Honourable TSANG Tak-sing, GBS, JP
Secretary for Home Affairs
Alternate: **Mr YOUNG Lap-moon, Raymond**, JP
Permanent Secretary for Home Affairs

The Honourable Mrs Carrie LAM, GBS, JP
Secretary for Development
Alternate: **Mr WAI Chi-sing**, JP
Permanent Secretary for Development (Works)

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

Ex-officio Member:

Mr Michael LYNCH, CBE, AM
Chief Executive Officer of the West Kowloon Cultural District Authority
(since 25 July 2011)

Mr Graham SHEFFIELD, CBE
Chief Executive Officer of the West Kowloon Cultural District Authority
(until 7 January 2011)

DEVELOPMENT COMMITTEE MEMBERSHIP LIST

Chairman:

The Honourable Ronald ARCULLI, GBM, GBS, JP

Members (non-public officers):

Board Members

Mr Edmond CHUNG Kong-mo, JP

Mr Raymond FUNG Wing-kee, JP

Ms Yuko HASEGAWA (until 22 September 2010)

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 SIN Chung-kai, SBS, JP

Professor Jenny SO Fong-suk (until 31 December 2010)

Ms YIP Wing-sie, JP

Mr Danny YUNG Ning-tsun

Dr the Honourable Allan ZEMAN, GBM, GBS, JP

Non-Board Members

Mr LEE Shing-see, GBS, JP

Mr LIU Sing-cheong, JP

Members (public officers):

Representative from Home Affairs Bureau

Representative from Development Bureau

PERFORMING ARTS COMMITTEE MEMBERSHIP LIST

Chairman:

Dr the Honourable Allan ZEMAN, GBM, 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 Benny CHIA Chun-heng, BBS

Mr Jim CHIM Sui-man (until 31 December 2010)

Mr Michael MACLEOD (since 1 July 2011)

Mr Fredric Chun-fai MAO, BBS (since 1 January 2011)

Mr TSAO Sing-yuen, Willy, BBS

Dr Liza WANG, SBS

Members (public officers):

Representative from Home Affairs Bureau

Representative from Leisure and Cultural Services Department

MUSEUM COMMITTEE MEMBERSHIP LIST

Chairman:

Mr Victor LO Chung-wing, GBS, JP

Members (non-public officers):

Board Members

Mr Edmond CHUNG Kong-mo, JP

Mr Raymond FUNG Wing-kee, JP (since 1 January 2011)

Ms Yuko HASEGAWA (until 22 September 2010)

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 (until 6 July 2011)

Non-Board Members

Ms Claire HSU Man-kai

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

REMUNERATION COMMITTEE MEMBERSHIP LIST

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, GBS, JP

Mr Danny YUNG Ning-tsun

Non-Board Member

Mr LAI Kam-tong

Members (public officer):

Representative from Home Affairs Bureau

INVESTMENT COMMITTEE MEMBERSHIP LIST

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 (until 6 July 2011)

Dr the Honourable Allan ZEMAN, GBM, GBS, JP

Non-Board Members

Mr KUNG Lin-cheng, Leo, BBS, JP

Mr SUN Tak-kei, David, BBS, JP

Mr WESTLEY, Kevin Anthony, BBS

Members (public officers):

Representative from Financial Services and the Treasury Bureau

Director of Accounting Services or his representative

Representative from Home Affairs Bureau

AUDIT COMMITTEE MEMBERSHIP LIST

Chairman:

The Honourable Paul CHAN Mo-po, MH, JP

Members (non-public officers):

Board Members

Mr Edmond CHUNG Kong-mo, JP

Mr Andrew LAM Siu-lo, JP (since 23 September 2011)

Mr Danny YUNG Ning-tsun (until 6 July 2011)

Non-Board Members

Mr FUNG Ying-wai, Wilson

Mr TSAI Wing-chung, Philip

CONSULTATION PANEL MEMBERSHIP LIST

Chairman:

Professor Stephen CHEUNG Yan-leung, BBS, JP

Members (non-public officers):

Board Members

The Honourable Ronald ARCULLI, GBM, GBS, JP

Mr Victor LO Chung-wing, GBS, JP

Dr the Honourable Allan ZEMAN, GBM, GBS, JP

Non-Board Members

Mr CHENG Chi-ming

Mr Oscar HO Hing-kay (until 28 February 2011)

Mr Michael HUI Wah-kit, MH (until 28 February 2011)

Mr HUNG Chiu-wah

Mr HUNG Keung (since 1 March 2011)

Ms KO Po-ling, BBS, MH, JP

Mr Bankee KWAN Pak-hoo

Ms Ida LAM Choi-chu

Mr LAM Ying-kit (since 1 March 2011)

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

Mr Coleman WAI Ching (since 1 March 2011)

Ms Ada WONG Ying-kay, JP

Dr YAU Wing-kwong