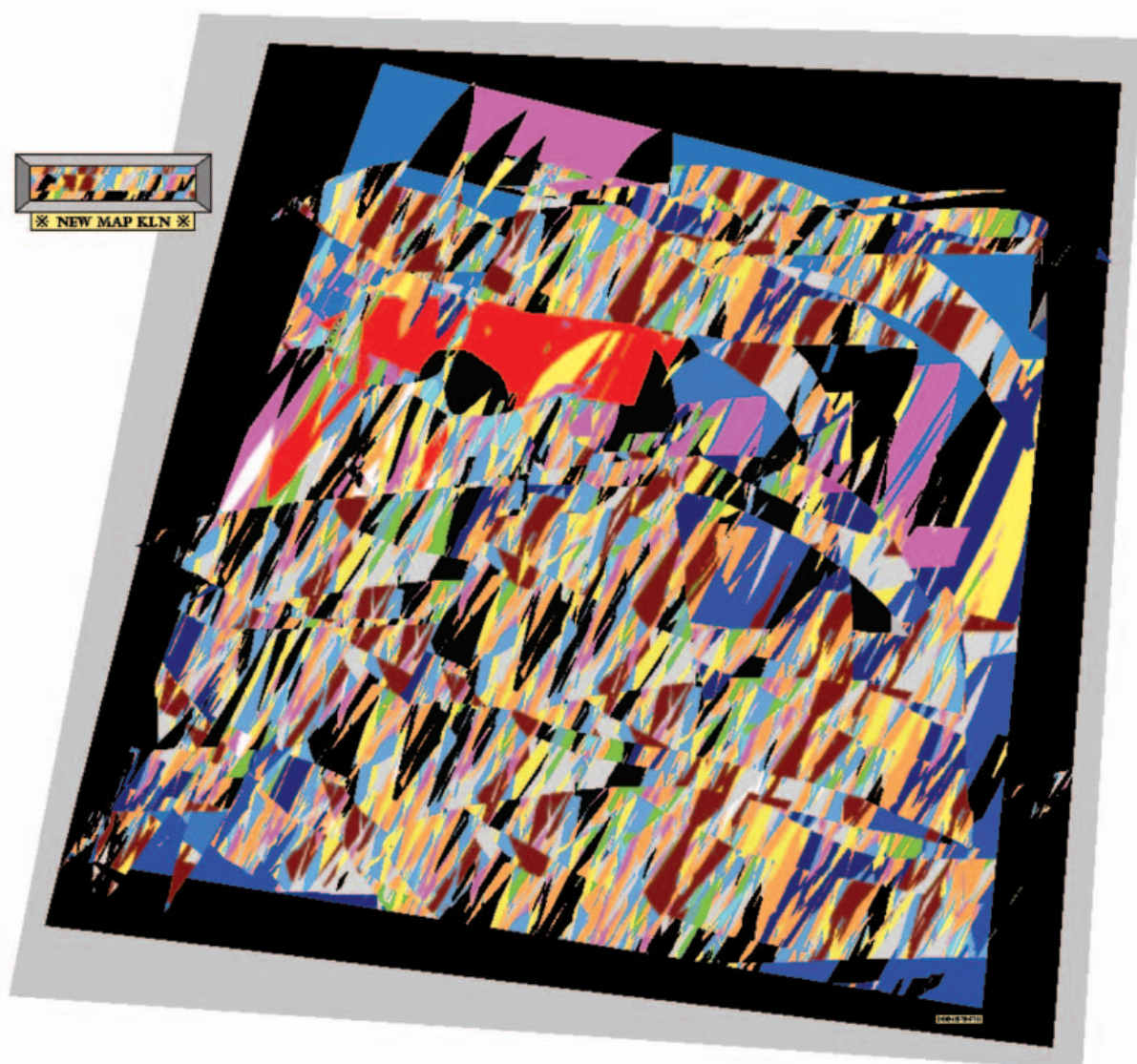


WEST KOWLOON CULTURAL DISTRICT AUTHORITY

annual report 10/11



FROM VISION TO REALITY

Read on – see what local artists are
saying about the future arts hub.



CONTENTS

| | |
|-----------|--|
| 4 | About the WKCDA |
| 8 | Chairman's Statement |
| 14 | Review of Operations |
| | A. Project Delivery |
| | B. Performing Arts |
| | C. Museum |
| | D. Software Development |
| | E. Finance |
| | F. Human Resources |
| | G. Corporate and Community Affairs |
| | H. Internal Audit |
| 36 | Outlook |
| 38 | Calendar of Events |
| 41 | Financial Highlights |
| 42 | Governance Report |
| | A. The Board and Senior Management |
| | i. Structure of the WKCDA |
| | ii. Board Functions and Conduct of Business |
| | iii. Biography of Board Members |
| | iv. Biography of Senior Executives |
| | B. Committees/Consultation Panel |
| | i. Functions and Conduct of Business |
| | ▪ Development Committee |
| | ▪ Performing Arts Committee |
| | ▪ Museum Committee |
| | ▪ Remuneration Committee |
| | ▪ Investment Committee |
| | ▪ Audit Committee |
| | ▪ Consultation Panel |
| | ii. Membership List |
| 72 | Report of the Members of the Board |
| 74 | Independent Auditor's Report |
| 78 | Statement of Accounts |
| | ▪ Profit and Loss Account |
| | ▪ Statement of Comprehensive Income |
| | ▪ Balance Sheet |
| | ▪ Statement of Changes in Equity |
| | ▪ Cash Flow Statement |
| | ▪ Notes to the Statement of Accounts |
| 94 | Terms of Reference of the Six Committees and the Consultation Panel |
| 96 | Profile of Artists |



“ I am looking forward to WKCD as a site of gathering inspiration, for exploring and experimenting, it should also be a location for realising and sharing things that have great value in life... and to push ourselves beyond the boundaries of our dreams... ”

Amy Cheung



“ Art is a proof of human existence in its time and space. ”

Kingsley Ng

“ I hope West Kowloon could be the place for nurturing local art professionals while offering opportunities for various organisations in the field, and creating a better art infrastructure for Hong Kong. ”

Angela Su



“ An euphoric substance. ”

Jeffrey Shaw



ABOUT THE WKCDA

WHO WE ARE

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 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 (“WKCDA”) was established under the West Kowloon Cultural District Authority Ordinance, Cap. 601, to develop the WKCD.

With an area of 40 hectares, of which 23 hectares are reserved for public open space, the WKCD will be an asset of Hong Kong for residents and visitors to enjoy. The WKCDA strives 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.





WHY WE EXIST

To plan, develop and operate 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 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.

To achieve these, we need to...

- prepare a Development Plan for the WKCD to lay out the plan area and set apart the land within it for various land uses;
- develop the WKCD in accordance with the land use and other requirements or conditions specified in the approved Development Plan; and
- provide (including plan, design and construct), operate, manage and maintain arts and cultural facilities, related facilities or ancillary facilities.

WKCD is first and foremost an arts hub, we will strive to...

- advocate, promote, organise, sponsor, encourage and provide for the appreciation of and participation in arts and culture;
- promote, exhibit and display arts publicly and otherwise;
- initiate and support the creation, composition, production, learning and practising of the arts; and
- perform such other functions as are conferred or imposed on the WKCDA by or under the WKCDA Ordinance or any other Ordinance.



OUR COMMITMENTS

To Hong Kong

- To facilitate the long-term development of Hong Kong as an international arts and cultural metropolis.
- To facilitate and enhance cultural exchange and cooperation between Mainland China, Hong Kong and other places.
- To facilitate and enhance cooperation between any government or non-government body or organisation and providers of the arts, within and outside Hong Kong.
- To strengthen the position of Hong Kong as a tourist destination.

To the Community

- To encourage wider participation by the local community in arts and culture.
- To promote and provide arts education to the local community.
- To encourage community, commercial and corporate support and sponsorship of arts and culture.
- To provide or facilitate the provision of free and accessible open space within the WKCD to the general public.

To Artists

- To uphold and encourage freedom of artistic expression and creativity.
- To develop new and experimental works in arts and culture.
- To cultivate and nurture local talents in the arts, local arts groups and arts-related personnel.
- To facilitate the development of cultural and creative industries.

To Audiences

- To enhance and promote excellence, innovation, creativity and diversity in arts and culture.
- To enhance the appreciation of a diverse and pluralistic range of the arts.

CHAIRMAN'S STATEMENT

I am pleased to present the Annual Report 2010/11 of the West Kowloon Cultural District Authority (“WKCDA”).

Development of the West Kowloon Cultural District (“WKCD”) project has accelerated on all fronts during the past year. Notable progress has been made in shaping the positioning and goals of the District, preparing its development plan, and exploring and formulating cultural software to be deployed in the District.

A key strategy in bridging the various elements of our work is: “Engagement”. Stakeholders from the arts and cultural sector and experts in urban planning, engineering, environmental protection and technology fields have all given their views through different platforms together with members of the public whom WKCD will serve. They have provided new ideas, some of which have inspired us to think through some basic questions: What is the nature of WKCD? Who is it for? What does the District mean to Hong Kong?



There are no set answers to these questions. Even the answers given today may have to be adjusted with the passage of time and changing circumstances. But one uncompromising core value I trust for the future District is: “bringing arts to the people, and people to the arts” – a notion the WKCDA has held firm since its inception. The cornerstone of the Cultural District should be the promotion of humanity. Public recognition and support should justify the existence of the WKCD.

Building on this determination, the wide ranging public engagement work conducted by the WKCDA has been instrumental in pulling together many useful ideas and formulating the development direction for the WKCD. The process has seen many people who care deeply about the project debating and exploring together with us ways to best build a Cultural District in which we all have a stake.

It is through this journey that we have set the long-term development plan for the WKCD and we will soon initiate the statutory planning approval process.

The whole planning process has reaffirmed some core principles that the WKCDA insists upon and have subsequently been endorsed by the public, in particular, our people-oriented and forward-looking approach.

Our people-oriented approach means we start from a user’s perspective. That is the reason we plan to put vehicular traffic and other auxiliary facilities underground, freeing up the maximum amount of open space for people to enjoy. We will return the harbour to the public by building a promenade along the waterfront and preserving 23 hectares fronting the harbour as green space. We constantly exchange views with arts and cultural stakeholders on artistic positioning and actual design of core arts and cultural facilities and make adjustments as we proceed.

CHAIRMAN'S STATEMENT

A forward-looking approach means we pay due regard to long-term sustainable development. We will allow sufficient flexibility so that we can make suitable adjustments to the function, positioning and commissioning schedule of facilities. We will try our utmost to create a “green” WKCD that will become a pioneer in championing sustainability in Hong Kong.

In the two years since the WKCDA's inception and through our public engagement activities, we note the community's attention gradually shifting from solely on hardware, to both hardware and software. This is a good sign. Naturally the form is important, but we should strive for excellence in both form and substance.

The immediate task ahead, therefore, is to define the artistic positioning and direction for the District. Arts and cultural groups – of all sizes and areas of expertise – are our important partners. We have been conducting different levels and forms of dialogue on programming, venue facilities and other operating issues with them and taken on board their views in the planning process. This is only a beginning. The two-way dialogue and co-operation will continue.

The WKCD starts now. As we plan for the commissioning of facilities in the first phase, we are also organising a series of temporary activities at the site to encourage people to become familiar with, and accustomed to visiting the area. Staging these activities will also give us valuable experience and reference for future operations of the WKCD.

Promoting cultural education is another important mission for the WKCDA. Through working closely with schools and universities and sponsoring community activities, we aim to groom local arts administrators while opening new doors for the public to experience a variety of local culture and contemporary arts.

Our financial arrangement and the construction costs have been of concern to the public. The WKCDA was established during a period of global financial turmoil and we have been very prudent in the investment strategy of public funds. Rising construction costs over the past few years have exerted pressure on the WKCDA's financial projection. We will critically review our financial arrangement against the final development plan and commissioning timeline of the facilities. While remaining prudent in our investment strategy, we will consider alternative ways to maximise returns and achieve the most effective use of the HK\$21.6 billion endowment.



The resignation of the former Chief Executive Officer earlier this year raised concerns in the community and posed a challenge to the WKCD in managing this period of change. Not only has the WKCD ensured normal operation through a spirit of strong professionalism and team work, important tasks have also been achieved on schedule to move the project forward. The subsequent appointment of Mr Michael Lynch, an internationally acclaimed arts administrator, as Chief Executive Officer, has provided fresh impetus to our work.

The WKCD journey is unique with no precedent elsewhere to follow. We have to find our own way forward by listening and taking on board views from all sides. I wish to thank all members of the Board, the Committees, the Consultation Panel, as well as staff members and my colleagues in the Government but most importantly members of the public who have given us support and encouragement.

Our journey is a long one and we shall stick together and explore the future with open minds. The seeds we sow today will bear fruit for generations to come.

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

Hong Kong, 6 September 2011



Photo of Swan Lake
Dancers : Jin Yao, Huang Zhen
Photographer : Gordon Wong
©The Hong Kong Ballet

“ For me, art begins with life, but it goes beyond that. Art provokes thought, but more importantly it creates iconic symbols of our metropolitan city. ”

Jin Yao

“ I live in Tai Kok Tsui. Every day I pass by and wonder when the WKCD would be completed. My wish is to have a performance there as long as I can dance. ”

Huang Lei



REVIEW OF OPERATIONS



The year under review was an important year for the WKCDA to lay down a solid foundation for the District to move ahead in the years to come.

First the WKCDA has installed a full management team with all eight senior executives now firmly in place. They would work closely with the new Chief Executive Officer, Mr Michael Lynch, formerly Chief Executive of Southbank Centre and Sydney Opera House, who was appointed in May 2011 to lead the WKCDA.

On the project front, the WKCDA selected Foster + Partners' **City Park** conceptual plan as the master layout plan of the future arts hub following a three-month Stage 2 Public Engagement Exercise ("PE2") which returned the **City Park** plan as the popular choice in many aspects.



A. PROJECT DELIVERY

The highlight of the Project Delivery team during the year under review was the selection of a preferred Conceptual Plan and thereafter commencing the preparation of a Development Plan (“DP”) for the statutory town planning process for the future arts and culture hub.

Selection of Conceptual Plan

Upon completion of PE2, the WKCDA Board set up a Selection Panel, composed of Members of the Board and Committees of the WKCDA with strong arts, cultural, community and professional backgrounds, in November 2010, to examine technical and other merits of three Conceptual Plan Options with the aim of making a recommendation to the Board of the WKCDA on the selection of one preferred Conceptual Plan.

The Conceptual Plan Options were evaluated against six selection criteria set out by the Board as below:

- a) Meeting Planning Design Principles
- b) Meeting Community and Stakeholders Aspirations
- c) Design and Phasing Flexibility
- d) Technical Strengths and Weaknesses
- e) Financial Implications
- f) Fulfilling the Key Planning and Development Requirements

REVIEW OF OPERATIONS



Six Selection Panel meetings were held from November 2010 to March 2011 to study various aspects of the plans, including workshops with the three master planning teams. After months of dedicated effort and working stringently through the assessment process, the Selection Panel recommended and the Board of the WKCD decided to select **City Park** of Foster + Partners (“Foster”) as the preferred option.

The Board chose Foster’s **City Park** for its balanced mix of land uses integrating arts and cultural facilities with other uses which improves visitor experience and enhances vibrancy in WKCD. The city park concept, relaxing atmosphere and various green features in Foster’s scheme earned the most public support in PE2. The scheme also puts forth clustering concepts that minimise footprint and create greater synergy between different facilities.

Moreover, as the WKCD project will span a number of years over different phases by way of organic growth, the high degree of flexibility demonstrated in Foster’s scheme not only allows swapping of sites to facilitate earlier development of core arts and cultural facilities, but also allows public enjoyment of arts and cultural facilities amidst ongoing construction programmes. The park and open space proposed in Foster’s scheme also allow room to accommodate temporary arts and cultural activities prior to the commissioning of Phase 1 facilities.

Foster continued to work with the WKCD in enhancing the preferred Conceptual Plan to address various practical issues, and incorporate suitable desirable features from the other two conceptual plans. The preferred Conceptual Plan will serve as the basis for the Project Consultant to prepare a DP for the Stage 3 Public Engagement Exercise (“PE3”) and submission to the Town Planning Board around the end of 2011 for consideration.



Development Plan Preparation

In parallel with the DP preparation, the WKCDA Management, together with its Project Consultant is undertaking an exercise to develop the Schedule of Accommodation and the Venue Positioning together with stakeholders and potential users of the 17 Core Arts and Cultural Facilities to be constructed in the District. The exercise will continue, at a more detailed level, to cover the functional requirements of individual space and room of these facilities.

In the course of DP preparation, a Working Group for Interfacing Issues between the WKCD project and the West Kowloon Terminus of Guangzhou-Shenzhen-Hong Kong Express Rail Link, composed of Members of the Development Committee of the WKCDA and representatives from Highways Department and MTR Corporation Limited, has been established for close coordination and resolution of various interfacing issues involved. The WKCDA Management has also pro-actively liaised with other related companies and government departments in dealing with interface issues critical for the planning of WKCD. Western Harbour Tunnel Company Limited and China Light and Power Company Limited have been involved.

Information on the DP will be unveiled to the public in PE3 before submission to the Town Planning Board around end 2011.

REVIEW OF OPERATIONS



B. PERFORMING ARTS

The Performing Arts (“PA”) team has devoted much effort during the year to build partnerships with the local arts and culture community. The team has not lost sight of software development and has embarked on laying the groundwork for capacity and audience building programmes. Another major task was to develop artistic positioning, operation, management and financial plans for performing arts facilities in WKCD. The team will report new developments to the PA Committee and seek endorsement from the Board at appropriate stages in the process.

To ensure future arts and culture facilities in the District will meet public aspirations, the PA team participated in PE2 and collected views on the three Conceptual Plan Options from arts and culture groups in open forums as well as focus group meetings. Their views were later consolidated for consideration by the Selection Panel in their choice of a preferred option.

At the same time, the team also undertook a Stakeholder Engagement Exercise from December 2010 to January 2011 on the proposed artistic positioning and individual technical features of the 15 PA facilities, their development priorities as well as the clustering of these facilities. A total of 140 representatives attended 14 meetings and five focus group meetings for the Theatre, Dance, Music, Xiqu and Pop Music sectors. During these sessions, participants held in-depth discussions with the WKCDA Management and its Project Consultant.

The stakeholders’ views were reported to the PA Committee and all consultation materials were uploaded to the website.

On the planning front, using the Consultancy Study on Mode of Governance of the Performing Arts Venues of the WKCD and the Consultancy Study on Market Analysis of the Performing Arts Venues of the WKCD as references, the PA team is developing operational and financial models of the various facilities under its scope.

The WKCDA has been organising PA programmes and activities to familiarise the public with the WKCD and its content. As agreed by the PA Committee in September 2010, the planning directions of PA programmes in the interim period would be mainly capacity building and audience development.

For capacity building, the PA team will organise or support training programmes, overseas attachment programmes, conferences and seminars in collaboration with different educational/cultural institutions and performing arts groups. For audience development, in order to link WKCD with the community, and grow the local audience base, programmes and public outdoor performances will be organised both on and off the WKCD site.

REVIEW OF OPERATIONS

C. MUSEUM

Planning for the WKCD's pioneering contemporary arts museum, M+, accelerated with the arrival of Dr Lars Nittve, in January 2011 to lead the M+ team. One of the priority tasks was to lay a conceptual groundwork for the future museum.

The early formulation of a conceptual framework for the museum will have significant bearing on all aspects of the future work of the team, spanning from the staffing plan, the collection policy, operation and management policy, financial plans and most important of all, to the planning of the future museum building. The team reports new developments to the Museum Committee and seeks endorsement of the Board at appropriate stages in the process.

Initial works on defining a framework were conducted during the autumn of 2010 when a group of seven postgraduate students conducted a number of research tasks under an internship programme of the WKCDA. Their findings were important to the future planning of the museum and the Cultural District. The materials, together with the fundamental thinking presented in the Museum Advisory Group's report of November 2006, formed the "software" base for the development of a Vision for the museum – "What is it? For whom?"



The M+ team identified the following fundamental characteristics of the future museum:

- M+ is a museum of Visual Culture, reflecting both the cultural specificity of Hong Kong and the latest developments in how art and wider visual culture is defined. It will embrace both design and architecture, moving image, popular culture and of course what normally is called visual art – including Ink Art.
- The main aspect of the collection displays and exhibitions will be an integration of these different strands of visual culture – all in line with the expansion of the concept of art we have seen in recent decades.
- There will also be focused presentations of particular Hong Kong stories, be it architectural typologies, the development of contemporary Ink Art or the history of Hong Kong neon signs.
- Education is not an “add on” to the museum. The museum in itself – all aspects of it – is Education. A guiding motto is “The More You Know The More You See”.
- The museum is not the same as the building it occupies. A Museum is a relationship between a content and its audiences – what a museum does is to try to optimise the event when the two meet – for both parties, remembering that these parties have very different needs.
- A Museum should be uncompromising in how it presents the work of artists and designers, realising their visions to the fullest extent – yet it should also aim at breaking down all unnecessary barriers that hinder the public from full enjoyment of the art. “Excellence and Access” is a second guiding motto.
- Finally M+ is a museum with, as the Museum Advisory Group proposed, “A Hong Kong perspective and with a global vision”. M+ will be a platform for the best of Hong Kong art – but also the place to see the best of art from around the world in Hong Kong. This will be evident in all aspects of the museum experience – in the collection and in the exhibitions.

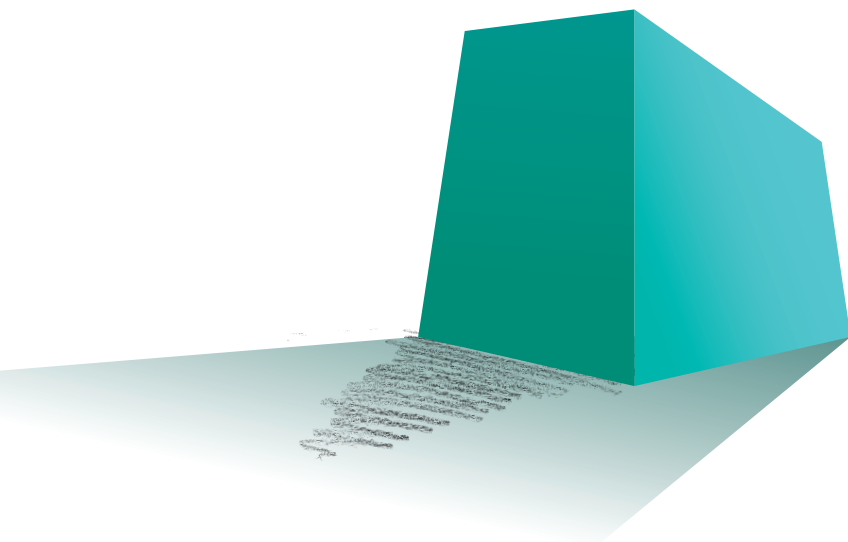
REVIEW OF OPERATIONS

Strengthened by a number of open and supportive round-table discussions, the M+ team started a number of planning activities, including a recruitment process. The selection of a Conceptual Plan also triggered a need for rapid input into the Schedule of Accommodation – the plan for the future building, the needed functions, spaces and character necessary to deliver the Vision.

At the same time, the process to plan for a Mobile M+ picked up speed. The creation of a “nomadic” museum long before there is a finished building is a natural consequence of the motto “The Museum is not the same as the Building it occupies”. The plans that were developed during the spring of 2011 will subsequently be fine-tuned with the aim for a launch before next spring.

Much has been achieved in defining the vision and seeking consensus with stakeholders on the way forward for the museum during the year under review, the growing M+ team looks forward to a truly exciting 2011/2012 by turning concepts into concrete plans.

On planning for the future Exhibition Centre, an Exhibition Sub-committee, chaired by Museum Committee Chairman, Mr Victor Lo, will be formed under the Museum Committee, to study the role and character of the Exhibition Centre.



D. SOFTWARE DEVELOPMENT

Knowing that the public as well as the stakeholders are as concerned about software development as they are concerned about the hardware, the WKCDA has been working with education institutions and arts and cultural organisations to cultivate software for the benefit of WKCD and the whole cultural community.

To meet the rapidly expanding demand for experienced arts administrators, the WKCDA has been collaborating with local educational and arts institutions to conduct various training programmes since last year. The WKCDA's first initiative on the education front was to sponsor scholarships for The University of Hong Kong's 10-month Advanced Cultural Leadership Programme starting in January 2011 in collaboration with Britain's Clore Leadership Programme. The intention of such education programmes was to nurture talent for the whole arts community, not just WKCD.

The PA team also plans to stage more outdoor cultural activities, possibly in partnership with cultural and community organisations on and off the WKCD site. It is envisaged that the WKCDA could provide a temporary venue on site for both indoor and outdoor events and for visual arts displays before commissioning of the Phase 1 facilities.

At the same time, the Performing Arts and M+ teams are working closely with the Project Delivery team and consultants to include education elements in arts and cultural facilities as well as creative learning facilities within the future District.

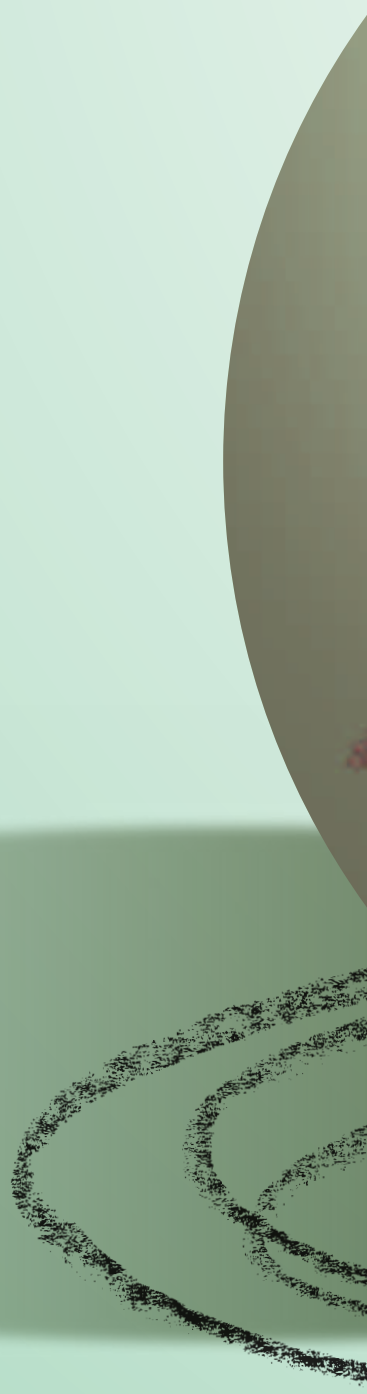


“ Attracting young audiences to the Cantonese Opera performances is incumbent upon our young actors. WKCD is the base in this regard and I hope I can present to you the fruit of my hard work on this new stage! ”

Liu Hong-wah

“ West Kowloon is a metropolis of art and culture, bringing global exchange, bringing in peace and friendship, and health. ”

Yu Ling-lung



“ The three-minute stage performance
is worth 10 years of hard work.
When the Xiqu Garden (Li Yuan)
blossoms so would the West Kowloon. ”

Lai Yiu-wai



REVIEW OF OPERATIONS

E. FINANCE

The principal functions of the Finance Department are to:

- a) manage the investment of the one-off upfront endowment of HK\$21.6 billion for the WKCDA to develop the WKCD in a financially prudent manner with due care and diligence, and ensure the financial sustainability of the operation and management of arts and cultural facilities, related facilities and ancillary facilities;
- b) review and monitor all financial matters of the WKCDA to ensure the WKCDA's activities are meeting the objectives of the WKCDA and that the day-to-day operations are managed in an efficient and effective manner and with adequate financial controls;
- c) set up effective information technology systems as the project evolves.

With the appointment of the Executive Director, Finance in April 2010, the Finance team was gradually built up to a total headcount of seven as at March 2011 to cover activities in treasury and fund management, finance and all other related accounting matters and the setting up of the information technology systems.

The rate of return on the WKCDA's investments improved to 3.4% p.a. for the financial year ended 31 March 2011 in comparison with 1.1% p.a. for the previous year.

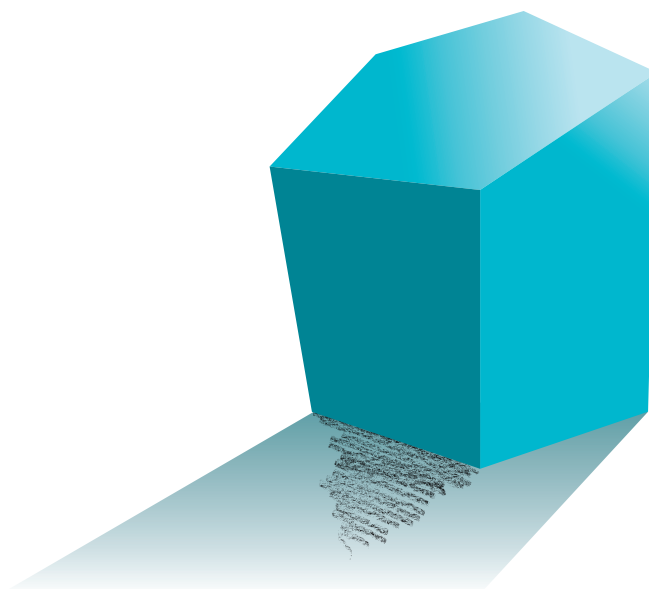
After reviewing the broad order of cost and revenue estimates of the different phases of the WKCD project development and the current investment market situation, on 7 July 2010, with the approval of the Board and the Financial Secretary ("FS") pursuant to Section 23(1) of the WKCDA Ordinance, the WKCDA placed an additional HK\$3.5 billion with the Hong Kong Monetary Authority ("HKMA") for a period of six years, making the total amount of long-term investment placed with 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.

Pending finalisation of the project cashflow, the rest of the endowment was placed in short-term deposits yielding an average annualised rate of 1.4% through active management of deposit placement by professional staff expert in the area. Through active monitoring of the investment market and after obtaining approval from the Board and the FS, an initial HK\$1.08 billion was converted into Renminbi (“RMB”) in early 2011 for short-term deposit placement to further enhance yield. The cumulative exchange gain on the WKCDA’s RMB deposit was HK\$4.6 million as at 31 March 2011.

To reduce concentration risk, the Board also approved the addition of six A-rated foreign banks to the WKCDA’s approved banks list resulting into a total of 24 approved banks. The addition of bank counterparties also enhanced the average yield of bank deposits.

In addition, a three-year Corporate Plan for the financial years 2011/12 through to 2013/14 and an annual Business Plan for 2011/12 were developed and approved by the Board in March 2011 setting out the framework, objectives and milestones for the WKCDA in the next three years. A review of the financial delegation of authority was conducted after the new management team was on board and a revised set of financial delegations of authority for approving expenditure and authorising payments was approved by the Board in October 2010. In December 2010, the accounting system was re-developed from the basic system to a more sophisticated Enterprise Resource Planning system for better control and with capability for future expansion.

In the information technology area, the WKCDA website was enhanced to support the smooth rollout of PE2 in August 2010. An intranet website was also developed in-house and launched in October 2010 to enhance and facilitate internal staff communications as the WKCDA grows.



F. HUMAN RESOURCES

Not only expertise, but more importantly, the commitment of the WKCDA's people drives the creation of the vision and objectives of the WKCD for Hong Kong. In alignment with the vision, the key human resources objective is to establish an effective organisation through successful talent acquisition and retention, with optimal level of manpower resources, arts and culture competence and an appropriate structure.

The principal functions of Human Resources Department are to:

- a) critically manage the WKCDA's manpower resources and other resources at optimal level and within the approved budget and to maintain adequate competent staff for development and project delivery;
- b) maintain an effective remuneration strategy and to develop appropriate human resources mechanisms to enhance staff commitment and engagement and organisational effectiveness;
- c) establish appropriate human resources policies and guidelines for application in the WKCDA for the next two to three years to ensure the WKCDA is in full conformity with the Hong Kong Employment Ordinance and related statutory requirements;
- d) maintain positive employee relations and enhance staff engagement in the WKCDA to strengthen the team cohesiveness and team working across departments; and
- e) ensure the office relocation project was delivered in a timely and cost-effective manner.

The most notable recruitment activity during the year was the speedy recruitment of a new Chief Executive Officer, following the resignation of Mr Graham Sheffield in January for health reasons. The appointment of a well-respected arts administrator, Mr Michael Lynch, to fill the post, has largely allayed leadership concerns within the community.

The WKCDA had 66 staff in post as at 31 March 2011, comprising 54 directly recruited staff and 12 clerical temporary staff to take forward the imminent and urgent tasks of the WKCDA.

The WKCDA believes in providing a quality office environment and maintaining best practices in office administration (including office security, procurement of general office supplies, occupational health and safety and facility management) are the key elements to enhance team working and organisational productivity.

FACTS & FIGURES:

How many people did the WKCDA hire during the year 2010/11?

- Human Resources received and processed about 4,500 employment applications.
- About 50 positions were posted.
- About 65 employment advertisements were published.
- About 40 positions were filled.
- A similar scale of activity is expected in the year 2011/12.

REVIEW OF OPERATIONS



G. CORPORATE AND COMMUNITY AFFAIRS

The WKCD is built for the people of Hong Kong and the success of the project hinges on whether the future District meets the aspirations of the public and requirements of its users.

Engaging the community and stakeholders on development of the project and assimilating their views during the planning are therefore of pivotal importance to the WKCD – a task undertaken by the WKCD since its inception.

Stage 2 Public Engagement Exercise

A focal point of the year under review was PE2, and the unveiling of the three Conceptual Plan Options, namely **City Park** designed by Foster + Partners, **Cultural Connect: Key to Sustained Vitality** by Rocco Design Architects Limited and **Project for a New Dimension** by Office for Metropolitan Architecture for the future WKCD.

During the three-month PE2, there were more than 30,000 visitors to the exhibitions, which displayed plans of the three planning teams. About 8,000 views were received via questionnaires or other means, of which more than half of those responding to our survey questionnaire were under the age of 30. Furthermore, a tailor-made school tour programme to the exhibitions was overwhelmingly subscribed, with about 4,000 students from 78 schools participating and enthusiastically responding to the polls.

Views and comments from the general public as well as stakeholders carried no less weight than those of the young people. With a roving exhibition across the territory, the WKCD chose six different locations from Hong Kong Island, to Kowloon and to the New Territories to allow more participation. Overall, the WKCD organised 27 PE activities, including 15 focus group meetings/forums, six other meetings/forums, five public forums and a Youth Forum. The website for PE2 recorded 61,811 visitors and 6.8 million hit rates throughout the period.



The three Conceptual Plan Options also attracted global audiences in the 12th Venice Biennale International Architecture Exhibition held over a two-month period from August 2010. The international community was able to comment on the plans and highlight their favourite individual aspects of each option.

Immediately after the official opening of the Hong Kong Exhibition, titled “Quotidian Architectures”, at the Biennale, the WKCDA hosted a special 90-minute panel forum, “Hong Kong Arts: Imagining the Future” which explored the development of the WKCD and how architectural planning could impact the growth and the success of the city’s arts and culture.

A team from the Public Policy Research Institute of the Hong Kong Polytechnic University was tasked to collate and analyse a total of 7,948 documents, including 7,310 questionnaires, received during PE2. A report on the results was published in February this year.

The results showed that all three Conceptual Plan Options were well received, scoring an average of at least three out of five in nearly all categories. Besides, there was general support for the development of the arts and cultural facilities in phases in order to allow for organic growth.

The findings provided very useful guidance for the WKCDA in deciding on the preferred Conceptual Plan.

The conclusion of PE2 would lead to the final Public Engagement, PE3, where information on the Development Plan that has evolved from the preferred Conceptual Plan will be unveiled to the public.

REVIEW OF OPERATIONS



Communications with the Public and the Media

The WKCDA, as an open and transparent organisation, made every effort to provide the public and the media with on-the-ground updates on the District's development and our work.

The WKCDA maintained cordial and close contacts with local and international media during the year. To facilitate media coverage, we used a full range of communication tools from press conferences, media briefings/activities, press releases and the Internet. The WKCDA conducted eight media briefings and issued 27 press releases in the year.

Board Members and Senior Management gave numerous radio, newspaper, and television interviews to bring accurate information to the public. The WKCDA also provided assistance to visiting overseas journalists, offering briefings to bring them up-to-date on the development of the District.

The community played a key role in the development of WKCD. Communicating with the public and obtaining their feedback enabled us to continually improve our work. Various communication channels, such as email, fax, letter, telephone, and social media were available to receive public enquiries or comments. The WKCDA also strived to handle all the incoming messages appropriately and promptly.

To disseminate first-hand information to the public, we maintained an informative website (www.wkcda.hk) on which members of the public could access a wide range of information including the latest progress of the WKCD project, press releases, publications, photos, as well as programmes for, and details of our public engagement exercises. Throughout the year the WKCDA website attracted 141,193 visitors and 31 million hit rates.

Moreover, monthly highlights of our activities and major progress in the form of an e-newsletter were sent to more than 3,000 subscribers and interested parties.

H. INTERNAL AUDIT

Internal Audit (“IA”) is an independent function established within the WKCDA for the review of operations and internal control system of the WKCDA as a service to the Board. Reporting to the Audit Committee, IA performed, during the year, audits designed to evaluate the adequacy and effectiveness of internal controls in the following areas:

- Procurement
- Investment and placement of deposits
- Operation of bank accounts and payments
- Consultancy fee payments
- General ledger accounting system
- Control over staff recruitment and payroll preparation

Audit reports summarising the results of the audits together with any recommendations for improvement were issued to the line managers concerned for action. The results of audits performed by IA were also reported to the Audit Committee periodically.

“ Music is an art form which enables artists to speak and share their emotions with people. It touches one's heart. It reminds of memories. It gives hopes, and it brings love to the world, sacredly and secularly. ”

Rachel Cheung

“ The arts is the future of the city.
Rhythm is life.
Music is life.
City rhythm is the same as in music.
Music belongs to all! ”

Perry So



“ If the WKCD can offer world class cultural infrastructure, then there will be no limits to the expression of these emotions that Hong Kong artists can create and share with the world! ”

Trey Lee



OUTLOOK



Planning of the WKCD has taken a giant step forward during the year under review. At the beginning of the year, abstract views and aspirations collected during the Stage 1 Public Engagement Exercise (“PE1”) were turned into Conceptual Plan Options by three world renowned planning teams and unveiled for public comments.

A preferred Conceptual Plan was chosen towards the end of the financial year and the WKCD is now refining the preferred Conceptual Plan into the Development Plan (“DP”), taking consideration of public and stakeholders’ views with due regard to technical and financial constraints. Planning will enter the statutory town planning process when the WKCD submits the DP around the end of 2011 after unveiling the related information in PE3 this autumn. Construction will begin once the process is completed.



While hardware development is progressing on schedule, the WKCDA has not lost sight of the need to embark on programmes for capacity and audience building as well as talent nurturing. These efforts cannot be successful without involving the education sector, arts and culture and community groups.

Some initial steps have been taken in this direction and in the year to come, the WKCDA will commit more effort and resources to present more performing arts and visual arts programmes by collaborating with interested groups. Furthermore, the WKCDA is examining the feasibility of turning a site inside the District into a temporary venue for performances and exhibitions.

There has been increasing resonance from the arts and culture community as well as the community at large in recent years to ask the WKCDA “to walk the walk, not talk the talk”. The WKCDA has answered the call with firm action and the team is poised to take it further.

CALENDAR OF EVENTS



04.2010

- The Board reviewed the Report on the Analysis of Views for the Stage 1 Public Engagement Exercise and took strategic directions for the preparation of the Development Plan of the WKCD on 23 April.

04.2010 - 07.2010

- Eight appointments were made to the executive management team.

08.2010

- The Opening Ceremony of Stage 2 Public Engagement Exercise (“PE2”), officiated by the Chairman of the Board, was held on 20 August at the Hong Kong Convention and Exhibition Centre. Three Conceptual Plan Options of the WKCD (namely **City Park** designed by Foster + Partners, **Cultural Connect: Key to Sustained Vitality** by Rocco Design Architects Limited and **Project for a New Dimension** by Office for Metropolitan Architecture) were unveiled.
- The three Conceptual Plan Options were displayed at the 12th Venice Biennale International Architecture Exhibition over a two-month period starting from 27 August.

10.2010

- On 18 October, a Working Group was set up to handle interfacing issues between the WKCD and the West Kowloon Terminus of Express Rail Link.
- On 23 October, tenure of the Chairman and Members of the Board were extended for two years to 22 October 2012. New appointment was also made to the Board.



11.2010

- The WKCDA announced on 1 November the first talent nurturing initiative. The WKCDA provided \$1 million to support the Advanced Cultural Leadership Programme which is a collaboration between the University of Hong Kong and the world-renowned Clore Leadership Programme in the United Kingdom.
- Six exhibitions and 27 PE activities that attracted about 30,000 visitors were held across the territory during the three-month PE2 ended 20 November.
- A Selection Panel was formed to assess the three Conceptual Plan Options.

01.2011

- The Board announced on 5 January the extension of tenure of existing non-Board Members of the six Committees to 31 December 2011. New appointment was also made to the Performing Arts Committee.
- On 7 January, the Board accepted the resignation of Mr Graham Sheffield as the Chief Executive Officer of the WKCDA for health reasons. A global search for a replacement commenced on 22 January.
- The WKCDA awarded scholarships to six of the enrollees in The University of Hong Kong's Advanced Cultural Leadership Programme.
- The Performing Arts team conducted a Stakeholder Engagement exercise on the planning of performing arts facilities in the WKCD.

02.2011

- The M+ team undertook a Stakeholder Engagement exercise to define the development strategy of M+.
- The WKCDA released the Report on the Analysis of Views for PE2 on 25 February.

03.2011

- The Board decided to extend the tenure of the Chairman and Members of the Consultation Panel for one year to 29 February 2012, with three additional new members.
- The Board selected Foster + Partners' **City Park** as the preferred option for the development of the future arts and culture hub on 4 March.



FINANCIAL HIGHLIGHTS

| | 2011 HK\$ million* | 2010 HK\$ million* | Change in%# |
|---|-----------------------|-----------------------|-------------|
| Income for the year ended 31 March | 755 | 229 | +229% |
| Expenses for the year ended 31 March | 226 | 73 | +208% |
| Profit for the year ended 31 March | 529 | 156 | +239% |
| Capital - Endowment from the Government of HKSAR as of 31 March | 21,600 | 21,600 | - |
| Placement with the Hong Kong Monetary Authority as of 31 March | 10,658 | 6,586 | +62% |
| Time deposits with original maturities over three months as of 31 March | 11,493 | 15,140 | -24% |
| Cash and cash equivalents as of 31 March | 114 | 59 | +94% |

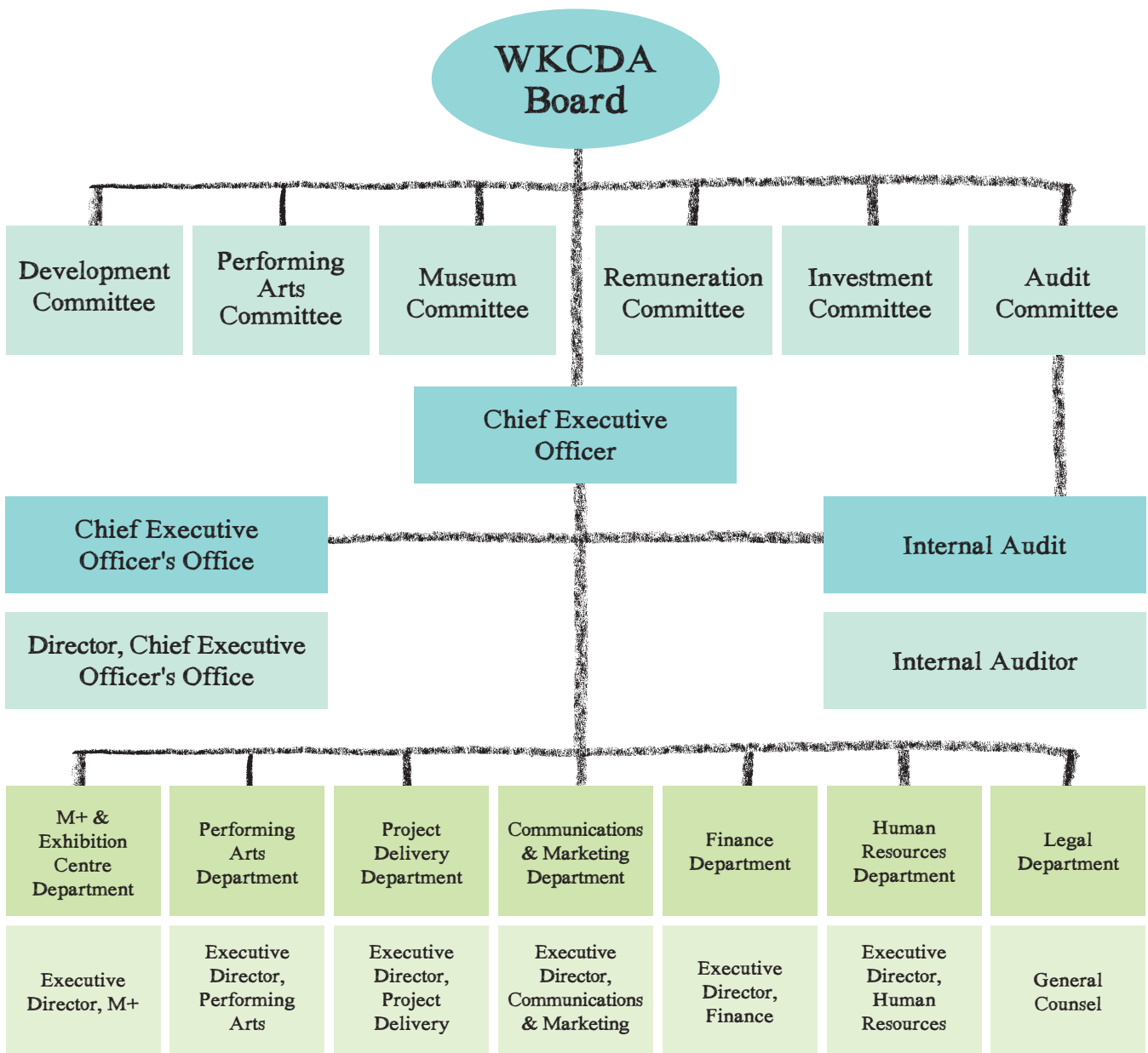
* Rounded to the nearest HK\$ million

Subject to rounding differences

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-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 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-yee**, 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

REPORT OF THE MEMBERS OF THE BOARD

The members of the Board are pleased to submit the annual report of the West Kowloon Cultural District Authority ("WKCDA") together with the audited statement of accounts for the year from 1 April 2010 to 31 March 2011.

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 WKCDA 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 2010 and up to the date of this report are set out on page 68.

Principal activities

The functions and objectives of the WKCDA are stipulated in Sections 4(1) and 4(2) of the WKCDA Ordinance respectively. In brief, the WKCDA 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 WKCDA for the year from 1 April 2010 to 31 March 2011 and the state of affairs of the WKCDA as of 31 March 2011 are set out in the statement of accounts on pages 78 to 93.

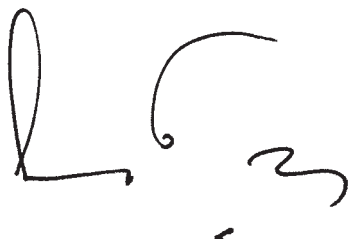
Board members' interests in contracts

No contract of significance, to which the WKCDA was a party and in which a member of the Board had a material interest, subsisted at the end of the year or at any time during the year from 1 April 2010 to 31 March 2011.

Auditor

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

By order of the Board

A handwritten signature in black ink, consisting of a large loop on the left, a curved line extending to the right, and a series of three wavy lines below it.

The Honourable Henry TANG Ying-yen, GBM, GBS, JP
Chairman of the Board

Hong Kong, 30 June 2011

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

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 78 to 93, which comprises the balance sheet as at 31 March 2011, 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 information.

THE BOARD'S RESPONSIBILITY FOR THE STATEMENT OF ACCOUNTS

The Board of the Authority is responsible for the preparation of the statement of accounts that gives a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and for such internal control as the Board determines is necessary to enable the preparation of the statement of accounts that is free from material misstatement, whether due to fraud or error.

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 about whether the statement of accounts is free from material misstatement.

INDEPENDENT AUDITOR'S REPORT TO THE WEST KOWLOON CULTURAL DISTRICT AUTHORITY (CONTINUED)

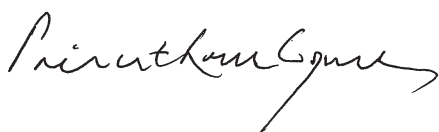
(established in Hong Kong pursuant to the West Kowloon Cultural District Authority Ordinance)

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 of the statement of accounts that gives a true and fair view 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 the Authority's affairs as at 31 March 2011 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, 30 June 2011

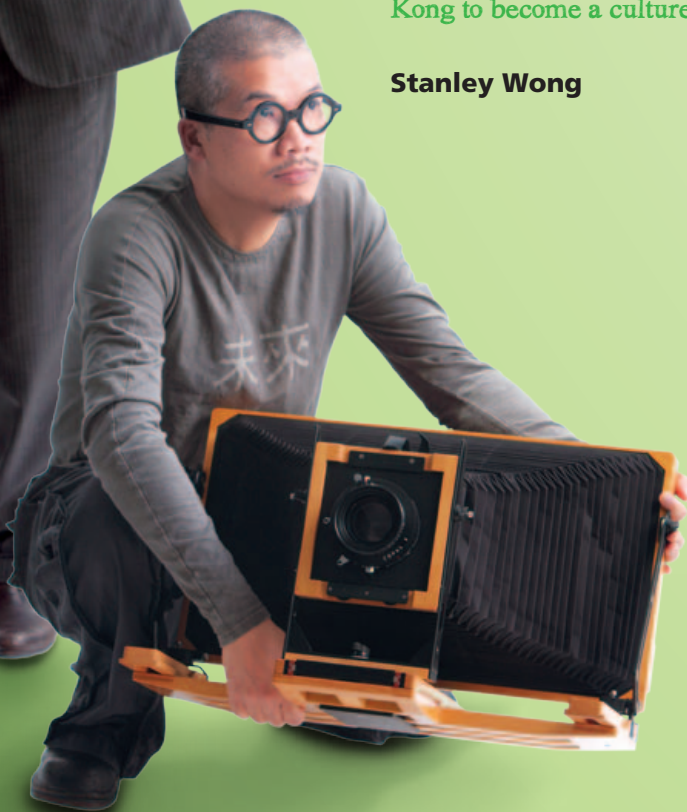
“ Don't just look at West Kowloon in 2017, but anticipate what would happen there in 20, or 30 or 40 years. West Kowloon does not just belong to our generation, it belongs to 'future'. ”

Eddy Zee



“ The power of art and culture lifts the spiritual quality of all Hong Kong people and takes Hong Kong to become a cultured capital. ”

Stanley Wong



“ M+ will provide an important non-commercial platform for artists from around the region and a much needed structure for curatorial and critical evaluation... ”

Magnus Renfrew



STATEMENT OF ACCOUNTS

WEST KOWLOON CULTURAL DISTRICT AUTHORITY PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

| | Note | 2011 HK\$'000 | 2010 HK\$'000 |
|---|-------------|------------------|------------------|
| Income | | | |
| Bank interest income | | 178,803 | 143,081 |
| Income from placement with the Hong Kong Monetary Authority | 2(e), 16(c) | 571,438 | 86,388 |
| Net exchange gains | | 4,598 | - |
| Sundry income | | 1 | 1 |
| | | <u>754,840</u> | <u>229,470</u> |
| Expenses | | | |
| Staff costs | 3 | (42,616) | (20,254) |
| Other operating expenses | 4 | (183,637) | (53,148) |
| | | <u>(226,253)</u> | <u>(73,402)</u> |
| Profit for the year | | <u>528,587</u> | <u>156,068</u> |

The notes on pages 83 to 93 form part of the statement of accounts.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2011

| | 2011 HK\$'000 | 2010 HK\$'000 |
|--|-----------------------|-----------------------|
| Profit for the year | 528,587 | 156,068 |
| Other comprehensive income | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | <u>528,587</u> | <u>156,068</u> |

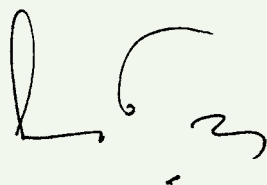
The notes on pages 83 to 93 form part of the statement of accounts.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY BALANCE SHEET

AS AT 31 MARCH 2011

| | Note | 2011 HK\$'000 | 2010 HK\$'000 |
|--|------|-------------------|-------------------|
| Non-current assets | | | |
| Property, plant and equipment | 8 | 5,536 | 1,436 |
| Placement with the Hong Kong Monetary Authority | 9 | <u>10,657,826</u> | <u>6,586,388</u> |
| | | <u>10,663,362</u> | <u>6,587,824</u> |
| Current assets | | | |
| Bank interest receivables | | 107,940 | 43,471 |
| Prepayments and deposits | 10 | 4,147 | - |
| Time deposits with original maturities over three months | | 11,493,467 | 15,140,000 |
| Cash and cash equivalents | 11 | <u>114,289</u> | <u>59,036</u> |
| | | <u>11,719,843</u> | <u>15,242,507</u> |
| Current liabilities | | | |
| Other payables and accruals | 12 | <u>32,027</u> | <u>10,114</u> |
| Net current assets | | <u>11,687,816</u> | <u>15,232,393</u> |
| Total assets less current liabilities | | <u>22,351,178</u> | <u>21,820,217</u> |
| Non-current liabilities | | | |
| Accrued contract gratuity | | 2,987 | 588 |
| Other non-current liabilities | | <u>-</u> | <u>25</u> |
| | | <u>2,987</u> | <u>613</u> |
| Net assets | | <u>22,348,191</u> | <u>21,819,604</u> |
| Equity | | | |
| Capital - Endowment from the Government of HKSAR | 13 | 21,600,000 | 21,600,000 |
| Reserve | | <u>748,191</u> | <u>219,604</u> |
| | | <u>22,348,191</u> | <u>21,819,604</u> |

Approved and authorised for issue by the Board of the Authority on 30 June 2011.



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



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

The notes on pages 83 to 93 form part of the statement of accounts.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2011

| | Capital -Endowment from the Government of HKSAR HK\$'000 | Reserve HK\$'000 | Total HK\$'000 |
|--|---|---------------------|-------------------|
| Balance at 1 April 2009 | 21,600,000 | 63,536 | 21,663,536 |
| Total comprehensive income for the year | - | 156,068 | 156,068 |
| Balance at 31 March 2010 | 21,600,000 | 219,604 | 21,819,604 |
| Total comprehensive income for the year | - | 528,587 | 528,587 |
| Balance at 31 March 2011 | 21,600,000 | 748,191 | 22,348,191 |

The notes on pages 83 to 93 form part of the statement of accounts.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

| | Note | 2011 HK\$'000 | 2010 HK\$'000 |
|--|------|------------------|------------------|
| Operating activities | | | |
| Profit for the year | | 528,587 | 156,068 |
| Adjustments for: | | | |
| Depreciation | | 769 | 253 |
| Bank interest income | | (178,803) | (143,081) |
| Income from placement with the Hong Kong Monetary Authority | | (571,438) | (86,388) |
| Net exchange gains | | (4,598) | - |
| Changes in working capital: | | | |
| (Increase)/decrease in prepayments and deposits | | (4,147) | 18 |
| Increase in other payables and accruals | | 21,913 | 2,188 |
| Increase in non-current liabilities | | 2,374 | 601 |
| Net cash used in operating activities | | (205,343) | (70,341) |
| Investing activities | | | |
| Purchases of property, plant and equipment | | (4,869) | (1,499) |
| Bank interest received | | 114,334 | 172,386 |
| Placement with the Hong Kong Monetary Authority | 9 | (3,500,000) | (6,500,000) |
| Decrease in time deposits with original maturities over three months | | 3,646,533 | 6,433,400 |
| Net cash generated from investing activities | | 255,998 | 104,287 |
| Net increase in cash and cash equivalents | | 50,655 | 33,946 |
| Cash and cash equivalents at beginning of year | | 59,036 | 25,090 |
| Effect of exchange rate changes | | 4,598 | - |
| Cash and cash equivalents at end of year | 11 | 114,289 | 59,036 |

Major non-cash transaction:

The Authority did not withdraw but reinvested the interest income of HK\$502 million (2010: Nil) which was earned from the placement with the Hong Kong Monetary Authority for January to December 2010.

The notes on pages 83 to 93 form part of the statement of accounts.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY

NOTES TO THE STATEMENT OF ACCOUNTS

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 office address is at 29/F, Tower 6, The Gateway, 9 Canton Road, Kowloon, 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.

The Board of the Authority on 4 March 2011 selected City Park designed by Foster + Partners as the preferred option for the development of the future arts and culture hub. Based on the preferred option, a Development Plan (DP) will be prepared and information on the DP will be unveiled to the public before its submission to the Town Planning Board around end 2011 with a view to obtaining the approval under the Town Planning Ordinance in 2012/2013. Land will be granted subsequently after the notification of the approval of the plan in the Gazette.

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 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 year in which the estimates are revised if the revisions affect only that year, or in the year of the revision and future years if the revisions affect both current and future years.

(i) Standards, amendments and interpretations which are effective on or after 1 January 2010

The HKICPA has issued a number of amendments and interpretations to existing standards which are effective in the current year. These amendments and interpretations are not relevant to the Authority and have no impact on the Authority's statement of accounts.

(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 years of the Authority beginning on or after 1 April 2011 or later years and have not been early adopted:

| | | Effective for accounting years beginning on or after |
|-------------------|---------------------------|---|
| HKAS 24 (Revised) | Related Party Disclosures | 1 January 2011 |
| HKFRS 9 | Financial Instruments | 1 January 2013 |

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.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY

NOTES TO THE STATEMENT OF ACCOUNTS

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Foreign currency translation

(i) *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.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(d) Property, plant and equipment

Property, 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 property, 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 year in which they are incurred.

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

| | |
|-------------------------|---------|
| Motor vehicle | 5 years |
| Furniture and equipment | 3 years |
| Computer equipment | 3 years |
| Leasehold improvements | 3 years |

No depreciation is provided for leasehold improvements in progress until they are completed and available for their intended use.

The estimated useful life of an asset is reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, 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 year in which they arise.

(f) Bank interest receivables, prepayments and deposits

Bank interest receivables, prepayments and deposits 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.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY

NOTES TO THE STATEMENT OF ACCOUNTS

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the property, 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 property, 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 property, 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 property, 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 years. Reversals of impairment losses are credited to the profit and loss account in the year 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 year in which they arise.

(k) Employee benefits

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

Contributions to Mandatory Provident Fund ("MPF") schemes are charged as expenditure on an accrual basis in the year 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.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY NOTES TO THE STATEMENT OF ACCOUNTS

3 STAFF COSTS

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

| | 2011 HK\$'000 | 2010 HK\$'000 |
|---|------------------|------------------|
| Salaries, allowances and other benefits | 41,701 | 18,044 |
| Pensions and contributions to MPF schemes | 915 | 2,210 |
| | <u>42,616</u> | <u>20,254</u> |

4 OTHER OPERATING EXPENSES

| | 2011 HK\$'000 | 2010 HK\$'000 |
|---|------------------|------------------|
| Consultancy fees (Note a) | 146,385 | 40,627 |
| Costs of hired services through employment agencies | 2,814 | 2,137 |
| Audit fee | 88 | 85 |
| Depreciation | 769 | 253 |
| Others (Note b) | 33,581 | 10,046 |
| | <u>183,637</u> | <u>53,148</u> |

Notes:

(a) The Authority 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\$125.1 million (2010: HK\$20.7 million) has been charged to the profit and loss account in the year. The Authority has also entered into a number of other consultancy contracts, of which around HK\$21.3 million (2010: HK\$19.9 million) has been expensed in the year.

(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.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY

NOTES TO THE STATEMENT OF ACCOUNTS

6 SENIOR EXECUTIVES' REMUNERATION

Emoluments received and receivable by the senior executives for the year ended 31 March 2011 (2010: Nil) are as follows:

| | Chief Executive Officer ("CEO") (Note a) HK\$' 000 | Other senior executives (Note b) HK\$' 000 | Total HK\$' 000 |
|------------------------------|---|---|--------------------|
| Salaries/ Other allowances | 1,969 | 13,568 | 15,537 |
| Provision for gratuity | - | 1,882 | 1,882 |
| Contributions to MPF schemes | - | 71 | 71 |
| | <u>1,969</u> | <u>15,521</u> | <u>17,490</u> |

Notes:

(a) The CEO served from 12 August 2010 to 7 January 2011.

(b) Other senior executives include Director, Chief Executive Officer's Office; Executive Director, Communications & Marketing; Executive Director, Finance; Executive Director, Human Resources; Executive Director, M+; Executive Director, Performing Arts; Executive Director, Project Delivery and General Counsel, all of whom joined the Authority during the year.

The emoluments of the senior executives are shown in the range as follows:

| | 2011 Number of individuals | 2010 Number of individuals |
|-------------------------------|----------------------------------|----------------------------------|
| HK\$2,500,001 – HK\$3,000,000 | 2 | - |
| HK\$2,000,001 – HK\$2,500,000 | 1 | - |
| HK\$1,500,001 – HK\$2,000,000 | 4 | - |
| HK\$1,000,001 – HK\$1,500,000 | 1 | - |
| HK\$1,000,000 or below | 1 | - |
| | <u>9</u> | <u>-</u> |

7 TAXATION

Pursuant to Section 41(1) of the WKCDA Ordinance, the Authority is exempt from taxation under the Inland Revenue Ordinance (Cap. 112). Pursuant to Section 41(2) of the WKCDA 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.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY
NOTES TO THE STATEMENT OF ACCOUNTS

8 PROPERTY, PLANT AND EQUIPMENT

| | Motor vehicle HK\$'000 | Furniture and equipment HK\$'000 | Computer equipment HK\$'000 | Leasehold improvements in progress HK\$'000 | Total HK\$'000 |
|---------------------------------|---------------------------|--|-----------------------------------|--|-------------------|
| 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 year | - | 28 | 225 | - | 253 |
| At 31 March 2010 | - | 28 | 263 | - | 291 |
| Net book value | | | | | |
| At 31 March 2010 | - | 82 | 1,354 | - | 1,436 |
| Cost | | | | | |
| At 1 April 2010 | - | 110 | 1,617 | - | 1,727 |
| Additions | 496 | 12 | 1,217 | 3,144 | 4,869 |
| At 31 March 2011 | 496 | 122 | 2,834 | 3,144 | 6,596 |
| Accumulated depreciation | | | | | |
| At 1 April 2010 | - | 28 | 263 | - | 291 |
| Charge for the year | 41 | 39 | 689 | - | 769 |
| At 31 March 2011 | 41 | 67 | 952 | - | 1,060 |
| Net book value | | | | | |
| At 31 March 2011 | 455 | 55 | 1,882 | 3,144 | 5,536 |

9 PLACEMENT WITH THE HONG KONG MONETARY AUTHORITY

As at 31 March 2011, HK\$10,000 million (the "Principal Amount") (2010: HK\$6,500 million) has been placed 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 arrear 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% and 6.0% per annum for January to December 2010 and January to December 2011, respectively. The Authority did not withdraw the interest payable to the Authority earned for January to December 2010 which shall continue to accrue interest at the same rate payable for the Principal Amount.

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.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY
NOTES TO THE STATEMENT OF ACCOUNTS

10 PREPAYMENTS AND DEPOSITS

| | 2011 HK\$'000 | 2010 HK\$'000 |
|----------------|------------------|------------------|
| Prepayments | 14 | - |
| Rental deposit | 3,817 | - |
| Other deposits | 316 | - |
| | <u>4,147</u> | <u>-</u> |

11 CASH AND CASH EQUIVALENTS

| | 2011 HK\$'000 | 2010 HK\$'000 |
|--|------------------|------------------|
| Cash at bank and in hand | 910 | 19,036 |
| Time deposits with original maturities of three months or less | 113,379 | 40,000 |
| | <u>114,289</u> | <u>59,036</u> |

12 OTHER PAYABLES AND ACCRUALS

| | 2011 HK\$'000 | 2010 HK\$'000 |
|--|------------------|------------------|
| Amount due to the Government of HKSAR | - | 1,373 |
| Accrued salaries, MPF contributions, and provision for annual leave entitlements | 989 | 97 |
| Accrued contract gratuity | 914 | 144 |
| Audit fee | 88 | 85 |
| Consultancy fee | 20,370 | 5,479 |
| Others | 9,666 | 2,936 |
| | <u>32,027</u> | <u>10,114</u> |

13 CAPITAL

On 4 July 2008, the Finance Committee of the Legislative Council of 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.

**WEST KOWLOON CULTURAL DISTRICT AUTHORITY
NOTES TO THE STATEMENT OF ACCOUNTS**

14 COMMITMENTS

(a) Operating lease commitments

Commitments for total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2011 HK\$'000 | 2010 HK\$'000 |
|--------------------------------|------------------|------------------|
| Land and buildings | | |
| - within one year | 12,122 | - |
| - in the second to fifth years | 21,772 | - |
| | <u>33,894</u> | <u>-</u> |

(b) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

| | 2011 HK\$'000 | 2010 HK\$'000 |
|------------------------|------------------|------------------|
| Leasehold improvements | <u>4,690</u> | <u>-</u> |

15 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 senior executives and directors who were civil service staff seconded to the Authority included in note 3 is as follows:

| | 2011 HK\$'000 | 2010 HK\$'000 |
|---|------------------|------------------|
| Senior executives' remuneration (Note 6) | 17,490 | - |
| Civil service staff seconded to the Authority | | |
| Project Director ¹ | 643 | 2,621 |
| Legal Services Director ¹ | - | 89 |
| Corporate Services Director ¹ | - | 188 |
| | <u>18,133</u> | <u>2,898</u> |

¹ 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, Corporate Services Director and Project Director ended in April 2009, May 2009 and June 2010 respectively.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY

NOTES TO THE STATEMENT OF ACCOUNTS

15 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Other related party transactions

| | 2011 HK\$'000 | 2010 HK\$'000 |
|---|------------------|------------------|
| Income from placement with the Hong Kong Monetary Authority (note i) | 571,438 | 86,388 |
| Salaries and related costs of staff seconded from the Government of HKSAR (note ii) | <u>2,850</u> | <u>13,151</u> |

The temporary office of the Authority was located in a property owned by the Government of HKSAR. Office rental expense of \$2.2 million was charged by the Government of HKSAR during the current year (2010: Nil).

Notes:

- (i) As at 31 March 2011, HK\$10,000 million (2010: HK\$6,500 million) has been placed with HKMA at a rate of return which is determined annually (note 9).
- (ii) The Authority reimbursed the Government of HKSAR for costs incurred in relation to the salaries and allowances of staff seconded to the Authority.

16 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) Foreign currency risk

The Authority's foreign currency risk arises mainly from its financial assets denominated in currencies other than Hong Kong dollar ("HKD").

The Authority's foreign currency risk exposure arises from its time deposits that are denominated in Renminbi ("RMB") which is not the Authority's functional currency.

The bank interest receivables, time deposits with original maturities over three months and cash and cash equivalents which are denominated in RMB as at 31 March 2011 were HK\$2 million, HK\$995 million and HK\$90 million respectively (2010: Nil).

A set of investment guidelines covering investment limits, risk management and controls is used to manage the Authority's foreign currency risk.

The Authority manages its foreign currency risk by closely monitoring the movement of RMB exchange rate against HKD as compared to initial conversion rate. If the RMB depreciates by 5% or more against HKD, compared against the initial conversion rate, the Authority should call a meeting with the Investment Committee to evaluate and decide on how to mitigate the loss due to currency risk. In the event that the RMB is expected to depreciate, the Authority may consider either immediate disposal in the market or using foreign exchange forwards hedge contract to mitigate the currency risk, subject to prior endorsement by the Investment Committee and approval by the Board and Financial Secretary of HKSAR where appropriate.

(ii) Credit risk

The Authority's credit risk is the risk that counterparties may default on its bank deposits / placements.

The Authority sets limits on its exposure to the approved list of banks/institutions. To ensure that there is no significant concentration of credit risk to a single counterparty, balance with each bank/institution is subject to a maximum exposure limit which is 1% of the overall deposit base of the bank/institution or 10% of the capital base of the bank/institution or 20% of the total funds under management, whichever is the lowest. The approved list of banks/institutions and the exposure limits are monitored regularly and updated periodically.

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.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY

NOTES TO THE STATEMENT OF ACCOUNTS

16 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iii) 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 to three 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.

(iv) Sensitivity analysis

The Authority is exposed to foreign currency risk due to fluctuations in the RMB exchange rate. Based on the RMB deposits balance as at 31 March 2011, if there were a 1% increase/decrease in RMB exchange rate against the HKD on the same date, it is estimated that, with all other variables held constant, it would increase/decrease the Authority's exchange gain/loss and reserve by approximately HK\$10.9 million (2010: Nil).

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 2011, if there were a general increase/decrease of 0.1% (or 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\$11.6 million (2010: HK\$15.1 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 2011, if there were an increase/decrease of 0.1% (or 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 and reserve would have increased/decreased by approximately HK\$10.5 million (2010: HK\$6.5 million on an annualized basis) a year.

(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.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY

NOTES TO THE STATEMENT OF ACCOUNTS

16 FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation

Effective 1 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 2011:

| | 2011 HK\$'000 | 2010 HK\$'000 |
|---------------------------------|--------------------------|------------------|
| Opening balance | 6,586,388 | - |
| Addition | 3,500,000 | 6,500,000 |
| Income from placement with HKMA | 571,438 | 86,388 |
| Closing balance | <u>10,657,826</u> | <u>6,586,388</u> |

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 WKCDA.
- 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 WKCDA as monitored by the management of the WKCDA 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 WKCDA or assigned to it by the Board in accordance with the WKCDA 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 WKCDA or assigned to it by the Board in accordance with the WKCDA 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 WKCDA'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 WKCDA's museums.

- 4 To oversee and monitor the management and operation of the WKCDA'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 WKCDA 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 WKCDA'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 WKCDA or assigned to it by the Board in accordance with the WKCDA Ordinance.

Investment Committee

- 1 To advise the Board on the WKCDA'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 WKCDA and advise the Board on the WKCDA's strategic asset allocations to optimise 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 WKCDA; 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 WKCDA 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 WKCDA.
- 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 WKCDA'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.
- 6 To perform any other functions as may be delegated to it by the WKCDA 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 WKCDA 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.

PROFILE OF ARTISTS

| Artist | Profile |
|---------------|---|
| Nadim ABBAS | Nadim Abbas is a Hong Kong-based installation artist. His work explores the intricate role that memory-images play in the intersection between mind and matter. Abbas currently holds teaching posts at the Hong Kong Art School and City University of Hong Kong. Notable exhibitions and projects include: <i>Marine Lover</i> (ARTHK11, Special Projects), <i>Cataract</i> (EXPERIMENTA & Gallery Exit, HK). |
| Andrew CHAN | A founder and Artistic Director of Alice Theatre Laboratory since 2003, Andrew Chan focused on directing experimental performance. He was awarded Best Director at the 18th Hong Kong Drama Awards and in the first Hong Kong Theatre Libre with <i>Seven Boxes Possessed of Kafka</i> in 2009. |
| CHAN Shiu-yu | An Administrative Director of the Alice Theatre Laboratory, Chan Shiu-yu launched a number of Theatre-in-Education programmes as a teacher trainer and advisor on drama education. Chan was awarded Best Actress in the first Hong Kong Theatre Libre with <i>Seven Boxes Possessed of Kafka</i> in 2009. |
| CHAN Yee-shan | A filmmaker with a doctorate degree in anthropology, Chan Yee-shan, aka Yang Yee-shan, wrote the movie scripts of <i>Whispers and Moans</i> (2007), <i>True Women for Sale</i> (2008) and <i>All About Love</i> (2010), and also published various books covering creative novels and nonfictions. She was a recipient of the WKCDA fellowship for the Advanced Cultural Leadership Programme of The University of Hong Kong. |
| Matthew CHENG | A young playwright, Matthew Cheng graduated from the Hong Kong Academy for Performing Arts in 2001. Cheng has received several "best script" awards. His recent work, <i>The Last Supper</i> , is a fine portrait about the strong bond between mother and son. |
| Amy CHEUNG | A young visual artist, Amy Cheung obtained BA from Goldsmith's College and MFA in Slade School of Fine Art, both from the University of London. Among her city interventions and large-scale public art projects, she represented Hong Kong in the 52th Venice Biennale, 2007 and received the Outstanding Young Artist Award (Visual Arts) from the Hong Kong Arts Development Council in the same year. In 2010, she was awarded the Lee Hysan Foundation Fellowship by the Asian Cultural Council. |
| Rachel CHEUNG | Rachel Cheung is an award winner for the Leeds International Pianoforte Competition (UK) and the Alessandro Casagrande International Competition (Italy). Recently graduated from the Hong Kong Academy for Performing Arts with First Class Honours, she also won the Award for Young Artist (music category) at the Hong Kong Arts Development Award 2009. |

Artist

Profile

HUANG Lei

A Senior Dancer at the Hong Kong Dance Company, Huang Lei graduated from the Beijing Dance Academy. He was awarded the Hong Kong Dance Award three times and also the Asian Cultural Council's International Choreographers Residency scholarship in 2010 to participate in the American Dance Festival. He also won the Award for Young Artist (dance category) at the Hong Kong Arts Development Awards 2010.

JIN Yao

A Principal Dancer of The Hong Kong Ballet, Jin Yao graduated from the Beijing Dance Academy in 1997 and joined the National Ballet of China. She won the Bronze Prize at the Shanghai International Ballet Competition in 2001, and a Gold Medal at the Varna International Ballet Competition in 2002. Jin received the Best Artist of the Year award (dance category) at the Hong Kong Arts Development Awards 2010.

Leon KO

A composer for musical theatre and films, Leon Ko received a Master's degree in Musical Theatre Writing at New York University's Tisch School of the Arts. He has won a Richard Rodgers Development Award, a Golden Horse Award, a Hong Kong Film Award and four Hong Kong Drama Awards for Best Score.

LAI Yiu-wai

A Xiqu singer since age nine, Lai Yiu-wai is a protégé of renowned Cantonese Opera artist Man Chin-sui. Lai received the Award for Young Artist (Xiqu category) at the Hong Kong Arts Development Awards 2010. He graduated from the City University of Hong Kong with a major in Chinese.

Chet LAM

A singer and songwriter, Chet Lam started his own label LYFE Music in 2003, and currently has 12 Cantonese, English and Mandarin albums. He has been notably awarded in various fields, including two times Best Folk Artist of the Year in the Chinese Media Music Awards in China, and Best Song Written for a Movie in Golden Horse Awards in Taiwan.

Eman LAM

A member of the Cantopop singer duo at17, Eman Lam was the first year award winner of the Youth Artist of the Year. A younger sister of Chet Lam, she became a producer of her own label, Lam2 in March 2011.

Trey LEE

Hong Kong-born cellist Trey Lee performs across continents at venues such as Carnegie Hall, Royal Concertgebouw, the United Nations General Assembly Hall. His music career began at Julliard School Pre-College Division before studying economics at Harvard University. He returned to music and became the first Asian to win the International Antonio Janigro Competition. He currently lives in Berlin pursuing his solo cello career.

PROFILE OF ARTISTS

Artist

Profile

Joey LEUNG

A founder of Windmill Grass Theatre, Joey Leung graduated from the Hong Kong Academy for Performing Arts in 2001. He was named best comedy actor at the 14th Hong Kong Drama Awards in 2005 for his performance in *The Queer Show*.

LIU Hong-wah

A leading actress of Sunny Cantonese Opera Troupe, Liu Hong-wah has been devoted to Chinese Opera since she was young. Liu won the award for Outstanding Young Artist (Xiqu category) at Hong Kong Arts Development Awards 2007.

Kingsley NG

An interdisciplinary artist specialised in conceptual, site-specific and community-oriented projects, Kingsley Ng is currently a part-time lecturer at Baptist University. His works have been exhibited at the Lille Europe Pavilion in Shanghai Expo and Echigo Tsumari Art Triennial in Japan. He received the Hong Kong Contemporary Art Biennial Awards in 2009 and was an artist-in-residence at Cité internationale des arts Paris in 2010.

Magnus RENFREW

Fair Director of ART HK (Hong Kong International Art Fair) since 2007, Magnus Renfrew graduated from the University of St Andrews with a degree in art history. Having served in Bonhams London as a specialist, and as Head of Exhibitions for Pearl Lam's Contrasts Gallery in Shanghai, he persuaded 101 of the world's leading galleries from 20 different countries to exhibit in Hong Kong for the inaugural Fair in 2008. Since then the Fair has gained a strong reputation and ART HK 11 showcased 260 galleries from 38 countries.

Jeffrey SHAW

Serving as Chair Professor and Dean of School of Creative Media, City University of Hong Kong since 2009, Jeffrey Shaw's interest in new media art goes back to the late 60's when he pioneered the use of interactivity and virtuality in his many art installations. He was the founding director of the ZKM Institute for Visual Media in Karlsruhe, and was awarded an Australian Federation Fellowship to co-found and direct the University of New South Wales iCinema Centre for Interactive Cinema Research in Sydney.

Perry SO

Perry So joined the Hong Kong Philharmonic Orchestra in October 2008 as Assistant Conductor and became Associate Conductor since September 2010. In 2008, he received the first and special prizes at the 5th International Prokofiev Conducting Competition, only the third time the top prize has been awarded. He was one of the inaugural Dudamel Conducting Fellows at the Los Angeles Philharmonic.

Angela SU

Angela Su studied at the University of Toronto and the Ontario College of Art, Canada. Since 2002, Su's work has been exhibited both in galleries and museums, including Grotto Fine Art (Hong Kong), Rossi & Rossi (London), and He Xiangning Art Museum (Shenzhen). She has also been selected to take part in the 17th Biennale of Sydney.

Artist

Profile

| | |
|---------------|--|
| Jonathan WONG | A singer-songwriter and dancer-choreographer, Jonathan Wong started his classical training in the piano and the violin at the age of six. Majored in modern dance and psychology at Cornell University, Wong received the university's Artist of the Year award upon graduation in 2008. Wong has released three albums in Hong Kong since 2009, and made his Japanese debut single in June 2011 in Tokyo. |
| Mercy WONG | A full time actress at the Hong Kong Repertory Theatre since 2001, Mercy Wong graduated from School of Drama, the Hong Kong Academy for Performing Arts in 2001. She was awarded Best Actress (Tragedy/ Drama) at Hong Kong Drama Awards in 2007 and 2011. |
| Stanley WONG | A homegrown artist and designer, Stanley Wong, alias "anothermountainman", has more than 30 years of experience in graphic design, advertising design, film & TV commercials production and fine arts. A frequent award winner for his creative works, he also held exhibitions of his fine art and photographic work locally and internationally including the Venice Art Biennale 2005. |
| Marisa YIU | Founding partner of ESKYIU, an interdisciplinary design studio, Marisa Yiu is an architect and academic. Teaching at the School of Architecture at the Chinese University of Hong Kong, she has been examining the cultural and social landscape of Hong Kong since 2000. She holds a Master of Architecture from Princeton University and served as Chief Curator of the 2009 Hong Kong & Shenzhen Bi-City Biennale of Architecture\Urbanism. |
| YU Ling-lung | Yu Ling-lung, aka Tsui Sin-yan, is a budding Xiqu artist of East Sing Opera Troupe. Yu received the Award for Young Artist (Xiqu category) at the Hong Kong Arts Development Awards 2009. |
| Eddy ZEE | A Company and Programme Manager of the Hong Kong Dance Company, freelance producer and actor, Eddy Zee developed a keen interest in arts since he joined his university's drama club during his first year. He was a recipient of the WKCDA fellowship for the Advanced Cultural Leadership Programme of The University of Hong Kong. |



The drawing on the cover, the NEW MAP KLN, by Gaylord Chan, is a comment and a demand to create something truly creative and new in West Kowloon – an almost chaotic, interwoven space, that is open for everybody's own interpretation and use. Born in 1925, Gaylord Chan is one of the city's most contemporary artists. Now a full time artist and art educator after a telecommunication career, his paintings oscillate between figurative and abstract. Gaylord discovered in recent years the fun of computer as a tool for his art, using basic software to create drawings.

WEST KOWLOON CULTURAL DISTRICT AUTHORITY

www.wkda.hk