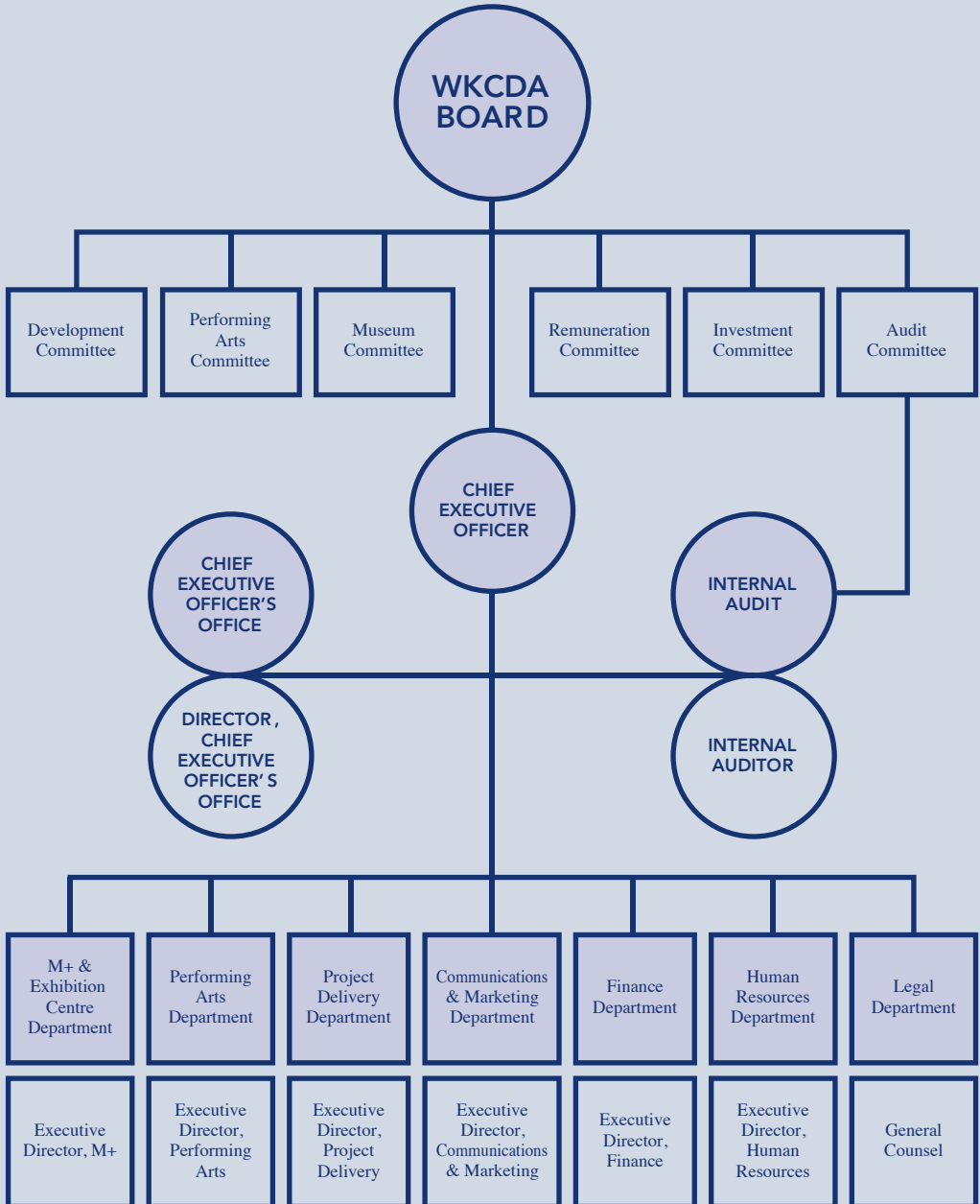


GOVERNANCE REPORT

A. The Board and Senior Management

I. STRUCTURE OF WKCDA



II. BOARD FUNCTIONS AND CONDUCT OF BUSINESS

The Board, the governing and executive body of WKCD, was established on 23 October 2008. All members were appointed by the Chief Executive. The Board currently comprises the Chairman, three public officer members, fourteen non-public officer members, and the Chief Executive Officer of the Authority 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 a 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 conflicts 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 of the Code in exercising their duties.

The Code of Conduct was amended in October 2011 to enhance the guidelines for managing possible conflicts of interest.

Declaration of Interests

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 an interest 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 disclosure of interests is available for inspection by the public at the office of WKCD. To further enhance transparency, the updated register is also uploaded to the WKCD website for public access.

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

The Board held six meetings during the reporting year and decided on a number of strategic issues which marked the milestones of the WKCD development, including the Stage 3 Public Engagement Exercise and the submission of the Development Plan to the Town Planning Board. Its work also included the appointment of Committees and Consultation Panel Members, setting up the Information and Communication Technologies Subcommittee and the Exhibition Centre Subcommittee, developing the risk management policy, finance and investment strategy, human resources, and planning for temporary use of the site. All of which are crucial to the operation of the Authority and the future development of WKCD.

A list of Board Members from 1 April 2011 to date is on page 103.

III. BIOGRAPHY OF BOARD MEMBERS

Chairman

The Honourable Mrs Carrie LAM, GBS, JP

Chief Secretary for Administration



Mrs Lam became a Principal Official on 1 July 2007 when she was appointed as Secretary for Development. Before assuming the post, Mrs Lam had served the Government as an Administrative Officer for about 27 years. She joined the Administrative Service in August 1980, and rose to the rank of Administrative Officer Staff Grade A1 in September 2006.

Mrs Lam has served in various bureaux and departments. She was Director of Social Welfare from August 2000 to October 2003, Permanent Secretary for Housing, Planning and Lands (Planning and Lands) from November 2003 to May 2004, and Director-General of the Hong Kong Economic and Trade Office, London, from September 2004 to March 2006. She was Permanent Secretary for Home Affairs before her appointment as the Secretary for Development.

Mrs Lam was appointed as the Chief Secretary for Administration on 1 July 2012.

Members (non-public officers)

The Honourable Ronald ARCULLI, GBM, GBS, JP



Mr Ronald Arculli is a Senior Partner of King & Wood Mallesons, the Hong Kong office of one of the largest law firms in Mainland China and Australia. He is currently an Independent Non-Executive Director of the Hong Kong Exchanges and Clearing Limited and Chairman of the World Federation of Exchanges. He also serves as a Non-Executive Director of Asia Art Archive Ltd and a Member of the Executive Committee of the Hong Kong Arts Festival Society Ltd.

Mr Arculli has a long and distinguished record of public service. He was a Non-Official Member (November 2005 - June 2012) and later appointed as Convenor of the Non-Official Members (December 2011- June 2012) of the Executive Council of the HKSAR Government. He was also a member of the Legislative Council of Hong Kong (1988-2000), the Chairman of the Hong Kong Jockey Club between 2002 and August 2006, Convenor of the Financial Matters Advisory Group and a member of the Consultative Committee on the Core Arts and Cultural Facilities of WKCD (September 2006 to June 2007).



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 WKCD is located.



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 Historic Buildings and the Advisory Committee on the Appearance of Bridges and Associated Structures.



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.



Mr Andrew LAM Siu-lo, JP

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



Professor LEE Chack-fan, SBS, JP

Professor Lee is 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.



Dr Victor LO Chung Wing, GBS, JP

Dr Lo was a member of the Consultative Committee on the Core Arts and Cultural Facilities of WKCD and the Convenor of the Museums Advisory Group. He is Chairman and Chief Executive of the Hong Kong-listed Gold Peak Industries (Holdings) Ltd. 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. Dr Lo has interest in a wide variety of visual arts forms and is dedicated to the development of design and innovation.



Professor David LUNG Ping-ye, SBS, JP

An architect, Professor Lung is 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 Environmental Campaign 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 WKCD.

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 WKCD, and Deputy Chairman of the Council of the Hong Kong Academy for Performing Arts.

**Mr SIN Chung-kai, SBS, JP**

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

**Professor Jenny SO Fong-suk**

Professor So is Professor of Fine Arts 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.

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 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.

**Mr Danny YUNG Ning-tsun**

An internationally renowned experimental art pioneer, Mr Yung is the founding member cum Co-Artistic Director of Zuni Icosahedron, a significant professional experimental arts company in Hong Kong. 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.

**Dr the Honourable Allan ZEMAN, GBM, GBS, JP**

Dr Zeman is Chairman of the Board of the Ocean Park Corporation and Lan Kwai Fong Holdings Limited. He is a board member of the Wynn Resorts Las Vegas and Vice-Chairman of Wynn Macau Limited. He is a member of the General Committee of the Hong Kong General Chamber of Commerce and a Board member of the Star Ferry. He is also a member of the Commission on Strategic Development and the Food Business Task Force of Business Facilitation Advisory Committee. Besides public services, Dr Zeman serves as Independent Non-Executive Director of Pacific Century Premium Developments Ltd, Sino Land Company Ltd and Tsim Sha Tsui Properties Ltd. Dr Zeman has successfully turned Lan Kwai Fong and the Ocean Park into attractions for both local and overseas visitors.

Members (public officers)**The Honourable TSANG Tak-sing, GBS, JP**

Secretary for Home Affairs



Mr Tsang was first appointed the Secretary for Home Affairs in July 2007, and was re-appointed in July 2012. He had worked in the journalistic field for nearly 30 years before he joined the Government as a member of the Central Policy Unit.

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



**The Honourable
CHAN Mo-po, Paul, MH, JP**
Secretary for Development

Mr Chan has been appointed Secretary for Development of the Hong Kong Special Administrative Region (HKSAR) Government since 30 July 2012.

Mr Chan is a Certified Public Accountant. He is a former President of the Hong Kong Institute of Certified Public Accountants and a former Chairman of The Association of Chartered Certified Accountants, Hong Kong.

Before joining the Government, Mr Chan held a number of public service positions including elected member of the Legislative Council; Chairman of Legal Aid Services Council; Board Member of the West Kowloon Cultural District Authority; non-official member of the Strategic Development Commission; Council Member of the Chinese University of Hong Kong and member of the Citizens Advisory Committee on Community Relations of the Independent Commission Against Corruption.

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



**Professor the Honourable
KC CHAN, GBS, 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: Ms Julia LEUNG Fung-ye, SBS, 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

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.



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.



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.

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.

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.

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.

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. A former CSL Chief Financial Officer, Dr Lam had more than 21 years experience working in the telecommunication industry with the then Hongkong Telecom (subsequently renamed as PCCW) after starting her few years in external audit with one of the Big Four, Deloitte Touche Tohmatsu.

**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.

**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 Kowloon-Canton Railway Corporation 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.

B. Committees and 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 (“DC”) are to advise the Board on the overall policies and strategies relating to the project planning and development of WKCD, to recommend to the Board a Development Plan (“DP”) for WKCD, and to advise 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 WKCD as a whole.

Following the scope, the Committee held seven meetings to deliberate on the various issues:

Modified Conceptual Plan and Development Plan

- Progress of modifications to the selected Conceptual Plan/Development Plan preparation
- Development Plan financial analysis and phasing
- Development Plan implementation and schedule of accommodation for Core Arts and Cultural Facilities
- WKCD Development Plan – submission to Town Planning Board

Public Engagement

- Preparation of Stage 3 Public Engagement Exercise (“PE3”) and its detailed arrangements
- Modified Conceptual Plan and information on the Development Plan to be unveiled in PE3
- Preliminary Development Plan submission and PE3 materials
- Findings on PE3

Procurement and Management of Consultancies

- Procurement of consultancy services in 2011-12 and Procurement Strategy Study
- Procurement of Arts Pavilion
- Study on Sustainability Vision and Framework
- Procedure for procurement and management of change for capital projects and review of delegated financial authority
- Landscape Design Consultancy Service for the Tree Nursery
- Procurement of Quantity Surveying Consultancy Services for (1) Underground Space; (2) Park/Freespace/Pavilion; (3) Xiqu Centre Phase 1; and (4) M+ Phase 1
- Consultancy Services for Preparation of the WKCD Recommended Outline Development Plan
- Project Information Management System Application Services for the Design and Construction Management of WKCD Development
- Park Detailed Design Consultancy and formation of Working Group on Park Development

Infrastructure and Interfacing Consultancies

- Underground space design to support Interfacing Works with West Kowloon Terminus - Working Group
- WKCD Information and Communication Technologies Consultancy Services - Strategic Master Plan

Implementation

- WKCD venues phasing programme and implementation strategy
- Short Term Tenancy for temporary use of WKCD
- Interfacing Works for Express Rail Link Vent Shafts and Associated Facilities

Preparation of Design Competitions

- Design competition and formation of Steering Committees
- Proposed design/Design Consultant selection approach for the Xiqu Centre
- Xiqu Centre Design Competition

Corporate Governance Related Issues

- Business Plan 2012-13 and Corporate Plan 2012-13 to 2014-15
- Committee setup on public private partnership (“PPP”)/alternative financing approaches

Project Steering Committee (Development Plan)

The Project Steering Committee (Development Plan) (“PSC(DP)”) was established under the Development Committee in April 2011 to steer the preparation of DP for WKCD and submission to the Town Planning Board for consideration. During the year, PSC(DP) held 11 meetings to advise on various technical aspects pertaining to the DP preparation. PSC(DP) also steered the process of transforming the selected Conceptual Plan to a statutory DP, taking into account aspects of traffic and infrastructure, schedule of accommodations, environment, sustainability, implementation programme and preliminary cost analysis.

The outcome of PSC(DP) was considered effective and encouraging in the sense that the DP for WKCD was formally submitted to the Town Planning Board (“TPB”) for consideration and the DP was subsequently agreed by TPB for gazettal on 30 March 2012.

Information and Communication Technologies Subcommittee

The Information and Communication Technologies (“ICT”) Subcommittee was set up under the DC in August 2011. The key functions of the ICT Subcommittee are to conceptualise and form an ICT strategy for WKCD, to explore the opportunities of deploying ICT in arts and culture for WKCD prior to facilities commissioning and to provide guidance and on-going strategic recommendations on ICT in arts and culture. Since its establishment, six meetings were held during the year where members discussed the work plan of the subcommittee as well as the ICT strategic master plan for WKCD.

Xiqu Centre Steering Committee for Competition to Select Design/Design Consultant

To prepare for the launch, the Xiqu Centre Steering Committee (“SC”) for Competition to Select Design/Design Consultant was set up under the DC in January 2012. The functions of the SC are to make recommendations on the appointment of Independent Professional Advisor (“IPA”), Technical Committee, Jury Panel Members and other necessary consultants, to oversee the preparation of programmes, technical briefs and related documents required for the Xiqu Centre Design Competition as well as to administer the design competition in accordance with established rules and conduct of the design competition with the support of IPA.

The SC held three meetings to steer the preparation process of launching the Xiqu Centre Design Competition in March 2012.

Working Group on Park Development

To plan for and realise the Park in line with the “A Place for Everyone” vision, the Working Group on Park Development (“WGPD”) was formed under the DC in March 2012. WGPD will oversee and advise on the planning, design and development of the Park and associated facilities on a continuous and ongoing basis. With performing arts and visual culture professionals joining the WGPD, the inaugural meeting of WGPD was held in March 2012 to determine the framework of developing the Park in WKCD.

Working Group on Interfacing with West Kowloon Terminus of Express Rail Link

To co-ordinate the complex interfacing issues between the West Kowloon Terminus Station (“WKT”) of Express Rail Link (“XRL”) and WKCD development, the Working Group (“WG”) was formed under the DC in October 2010. The WG, with members from WKCDA, Railway Development Office of Highways Department, Home Affairs Bureau and Mass Transit Railway Corporation identified 14 interface issues and gave directions to resolve those issues. All the interface arrangements have been agreed in principle to enable the detailed design of WKT within WKCD to be completed by mid 2012.

The WG held three meetings in the year since inception and twice reported progress to the DC.

Performing Arts Committee

The principal functions of the Performing Arts Committee are to formulate the vision, mission and mode of governance of performing arts (“PA”) venues for approval by the WKCD Board. The Committee also recommends to the Board strategies and policies for the operation of PA venues.

Five meetings were held during the year. The Committee acknowledged the views collected through various stakeholder meetings held from May to November 2011 had been useful for WKCD in making the phasing decisions of PA facilities, contemplating strategic partnership schemes, and modifying WKCD’s Development Plan.

The stakeholder meetings also kept the local arts community engaged in the design process of PA venues including the Xiqu Centre Design Competition, the progress of which was reviewed by the Committee. The Committee approved a Stakeholder List in late 2011 for continuous dialogues to ensure PA venues could meet users’ requirements.

The Committee also endorsed the selection criteria for interim PA programmes and directed that funds or funding for these programmes be focused on community/audience development, capacity building and research. In addition, it offered advice on the development of the organisation structure of PA Department.

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 three times during 2011/12 and in these three meetings, the Committee focused on the geographical and spatial aspects of the museum building as well as the manpower plan and software development of M+.

An EC Subcommittee and Interim Acquisition Committee (“IAC”) have been formed under the Committee. The EC Subcommittee was set up to advise on the overall strategy for developing the EC in WKCD development whereas the IAC is an interim arrangement to consider and approve as well as to make recommendations to the Committee and the Board in relation to the acquisitions of M+ prior to a governance structure of M+ being put in place. Both these two committees are chaired by the Museum Committee Chairman, Dr Victor Lo.

The Committee has also reviewed and made recommendations to the proposed acquisition policy of M+ which lays down the broad strategy and procedures for building the M+ collection.

Remuneration Committee

The Remuneration Committee was formed in 2008. There were six members on the Remuneration Committee as at 31 March 2012.

The Remuneration Committee is responsible for making recommendations to the Board on organisational structure and policies regarding staffing, remuneration, employment, disciplinary and dismissal with reference to the Authority’s overall goals and objectives. It also oversees any other matter related to the remuneration, allowances or benefits made available to employees, former employees or their dependants referred or assigned to it by the Board.

The Committee held four meetings during the financial year. It reviewed the remuneration strategy for WKCD, recruitment of Chief Executive Officer, relocation assistance for senior executives, provision of medical benefits for staff, as well as formulation of policies and guidelines on human resources matters. It also endorsed the guidelines for salary disclosure of senior executives in WKCD’s annual report.

Remuneration Strategy

The Committee endorsed the review of remuneration strategy ranging from job level assessment, pay market comparison, salary bands design to external pay practice benchmarking. The Committee made recommendations to the Board on the remuneration strategy and related system, short term implementation and long-term roadmap of improvement.

To maintain the Authority’s competitiveness in competing for quality professionals in the market, the Committee also made recommendations to the Board on the pay review for 2011 and 2012.

Recruitment of Chief Executive Officer

The Committee closely oversaw the recruitment of Chief Executive Officer of WKCD and made recommendations to the Board on the terms and conditions of his employment.

Relocation Assistance

Remuneration and terms and condition of employment of senior executives of WKCD is closely overseen by the Committee. The Committee endorsed the review of relocation assistance for senior executives and made recommendations to the Board. No senior executive of WKCD who was entitled to the benefits took part in any discussion about the review or the recommendations.

Provision of Medical Benefits

The Committee endorsed the review and made recommendations on the provision of medical benefits to all staff.

Human Resources Policy

To ensure WKCD A has proper guidelines to govern and monitor its human resources related activities, the Committee endorsed the formulation of related policies and guidelines regarding recruitment and appointment of part-time employees and employees doing paid or unpaid outside work during or outside normal working hours of WKCD A.

Corporate Disclosure

To maintain high standard of corporate governance and in line with the practice of other public bodies, the Committee endorsed the guidelines for salary disclosure of senior executives in WKCD A's annual report.

Investment Committee

The principal functions of the Investment Committee are to advise the Board on the investment objectives, guidelines and strategies of WKCD A, as well as to monitor and oversee the investments made by WKCD A. The Committee held five meetings during the year and considered a total of 45 papers including those by circulation.

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

Adding Bank Counterparties

To diversify counterparty risk, the Committee endorsed and made recommendation to the Board the addition of 10 A-rated foreign banks into WKCD A's approved banks list. The addition of bank counterparties also enhanced the average yield of bank deposits.

Investment in Renminbi ("RMB") Certificates of Deposits and Senior Bonds

The Committee endorsed and made recommendation to the Board for amendment in the investment guideline in RMB certificate of deposits and senior bonds to further diversify the portfolio asset allocation.

Conversion and Hedging of USD and RMB

To enhance yield, the Committee endorsed and made recommendation to the Board for converting HK\$3.24 billion to USD and also an additional HK\$3.08 billion to RMB resulting in a total RMB exposure of up to HK\$4.16 billion. Subsequently, the Committee also endorsed and made recommendation to authorise the Authority the use of foreign exchange contracts to convert USD and RMB back to HKD at an appropriate time.

Uplift of Deposit Tenor

To enhance yield and to better match with the Authority's cash flow requirements, the Committee endorsed and made recommendation to uplift deposit tenor beyond one year, subject to sufficient funds in meeting project cash flow.

Investment Strategy

Pending the finalisation of the project cash flow, the Committee endorsed WKCD A's recommendation and has adopted an investment strategy focusing on cash flow flexibility and financial prudence.

All of the above proposals and recommendations were approved by the Board and the Financial Secretary as appropriate.

Audit Committee

The Audit Committee considers and advises on financial and audit matters of the Authority. The Committee held three meetings during the year. It considered and recommended the statement of accounts for the year ended 31 March 2011 for approval of the Board.

The Committee also endorsed the audit strategy and work plan of Internal Audit for 2012/13 and reviewed reports on internal audit reviews conducted during 2011/12 to evaluate and improve internal controls covering the following operational areas of the Authority:

- Enterprise Resources Planning ("ERP") Phase 1 system implementation
- Corporate governance
- Time deposits
- Operation of bank accounts and payments
- Engagement of business partners for performance and cultural programmes
- Procurement
- IT backup and disaster recovery planning

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

- Procedures for procurement and management of change for capital projects
- General procurement guidelines
- Changes to procedures on sale of foreign currencies and procedural guidelines on RMB CD/bond investment
- Risk management policy and strategic risks of the Authority

Consultation Panel

A Consultation Panel (“CP”) has been established by the Board under Section 20 of the WKCD Ordinance to gather public views on matters related to the functions of WKCD. The CP is composed of 20 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 WKCD website.

The CP held two meetings during the year where it discussed and made recommendations to the Board on the arrangements for PE3. Members of the CP provided valuable views on the arrangements for PE3. PE3 exhibition drew enthusiastic response from the public and stakeholders, receiving over 19,000 visitors for the month-long event. With the advice and support of Members of the CP, WKCD also organised a series of engagement events for the public and stakeholders. PE3 was successfully completed in October 2011, and the Report on the Analysis of Views for the PE3 was published in December 2011.

Upon the completion of the three-stage Public Engagement Exercise, the CP continues to promote the WKCD project to the public, and to channel public expectations and views on various aspects of WKCD development, such as cultural software development, dissemination of information on project milestones, use of open space, universal accessibility issues and involvement of young people.

II. MEMBERSHIP LIST

Please refer to pages 103 to 107 for membership lists of Committees, Subcommittees and Consultation Panel.

Membership List**BOARD OF THE WEST KOWLOON
CULTURAL DISTRICT AUTHORITY****Chairman**

The Honourable Mrs Carrie LAM Cheng Yuet-ngor, GBS, JP
Chief Secretary for Administration
(since 1 July 2012)

The Honourable Stephen LAM Sui-lung, GBS, JP
Chief Secretary for Administration
(30 September 2011 to 30 June 2012)

The Honourable TANG Ying-yen, Henry, GBM, GBS, JP
Chief Secretary for Administration
(until 29 September 2011)

Members (non-public officers)

The Honourable Ronald ARCULLI, GBM, GBS, JP
The Honourable Paul CHAN Mo-po, MH, JP
(until 28 July 2012)
Mr Edmond CHUNG Kong-mo, JP
Mr Raymond FUNG Wing Kee, JP
The Honourable Jeffrey LAM Kin-fung, GBS, JP
Mr Andrew LAM Siu-lo, JP
Professor LEE Chack-fan, SBS, JP
Dr 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 Paul CHAN Mo-po, MH, JP
Secretary for Development
(since 30 July 2012)

The Honourable MAK Chai-kwong, GBS, JP
Secretary for Development
(1 July 2012 to 29 July 2012)

The Honourable Mrs Carrie LAM Cheng Yuet-ngor, GBS, JP
(until 30 June 2012)
Secretary for Development
Alternate: Mr WAI Chi-sing, JP
Permanent Secretary for Development (Works)

Professor the Honourable KC CHAN, GBS, JP
Secretary for Financial Services and the Treasury
Alternate: Ms Julia LEUNG Fung-yee, SBS, 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)

**DEVELOPMENT
COMMITTEE****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
Mr Andrew LAM Siu-lo, JP
Professor LEE Chack-fan, SBS, JP
Dr Victor LO Chung Wing, GBS, JP
Professor David LUNG Ping-ye, SBS, JP
Mr SIN Chung-kai, SBS, JP
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, OBE, JP
Mr LIU Sing-cheong, JP

Members (public officers)

Representative from Home Affairs Bureau
Representative from Development Bureau

**INFORMATION AND
COMMUNICATION TECHNOLOGIES
SUBCOMMITTEE****Chairman**

Mr SIN Chung-kai, SBS, JP

Members (non-public officers)*Board Member*

The Honourable Ronald ARCULLI, GBM, GBS, JP

Non-Board Members

Mr Benny CHIA Chun-heng, BBS
Ms Barbara CHIU Cheuk-mun
Ms Claire HSU Man-kai (until 31 December 2011)
Mr HUNG Keung (since 1 January 2012)
Mr Charles Peter MOK
Mr Ricky WONG Wai-kay
Mr Samson YOUNG
Chief Executive Officer, WKCD

Members (public officers)

Representative from the Office of the Government
Chief Information Officer
Representative from Home Affairs Bureau

**PERFORMING ARTS
COMMITTEE****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 Michael MACLEOD (since 1 July 2011)
Mr Fredric Chun-fai MAO, BBS
Mr TSAO Sing-yuen, Willy, BBS
Dr Liza WANG, SBS
Dr Elvin WONG Chi-chung (since 1 January 2012)

Members (public officers)

Representative from Home Affairs Bureau
Representative from Leisure and Cultural Services
Department

**MUSEUM
COMMITTEE****Chairman**

Dr Victor LO Chung Wing, GBS, JP

Members (non-public officers)*Board Members*

Mr Edmond CHUNG Kong-mo, JP
Mr Raymond FUNG Wing Kee, JP
Mr Andrew LAM Siu-lo, JP
Professor LEE Chack-fan, SBS, JP
(until 31 December 2011)
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 (until 31 December 2011)
Mr LEUNG Chi Wo (since 1 January 2012)
Ms Kai-Yin LO, SBS (since 1 January 2012)
Mr David PONG Chun-ye
Ms Nansun SHI (since 1 January 2012)
Mr Alan WAN Siu-lun

Members (public officers)

Representative from Home Affairs Bureau
Representative from Leisure and Cultural Services
Department

EXHIBITION CENTRE SUBCOMMITTEE

Chairman

Dr Victor LO Chung Wing, GBS, JP

Members (non-public officers)

Board Members

The Honourable Ronald ARCULLI, GBM, GBS, JP

Mr Raymond FUNG Wing Kee, JP

Non-Board Members

Mr Daniel CHEUNG Wai-hung

Mr Kevin CHING Sau-hong

Mr Stanley CHU Yu-lun

Mr Andy HEI (since 1 January 2012)

Mr Magnus RENFREW

Chief Executive Officer, WKCD

Member (public officer)

Representative from Home Affairs Bureau

REMUNERATION COMMITTEE

Chairman

Mr SIN Chung-kai, SBS, JP

Members (non-public officers)

Board Members

The Honourable Ronald ARCULLI, GBM, GBS, JP

The Honourable Jeffrey LAM Kin-fung, GBS, JP

Mr Danny YUNG Ning-tsun

Non-Board Member

Mr LAI Kam-tong

Member (public officer)

Representative from Home Affairs Bureau

INVESTMENT COMMITTEE

Chairman

The Honourable TSANG Tak-sing, GBS, JP

Secretary for Home Affairs

Members (non-public officers)

Board Members

The Honourable Ronald ARCULLI, GBM, GBS, JP

The Honourable Paul CHAN Mo-po, MH, JP

(until 28 July 2012)

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

(until 29 June 2012)

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

Chairman

The Honourable Paul CHAN Mo-po, MH, JP

(until 28 July 2012)

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, JP

CONSULTATION PANEL

Chairman

Professor Stephen CHEUNG Yan-leung, BBS, JP

Members (non-public officers)

Board Members

The Honourable Ronald ARCULLI, GBM, GBS, JP

Dr Victor LO Chung Wing, GBS, JP

Dr the Honourable Allan ZEMAN, GBM, GBS, JP

Non-Board Members

Mr CHENG Chi-ming

Mr HUNG Chiu-wah

Mr HUNG Keung

Ms KO Po-ling, BBS, MH, JP

Mr Bankee KWAN Pak-hoo

Ms Ida LAM Choi-chu

Mr LAM Ying-kit

The Honourable LEE Wing-tat

(until 25 March 2012)

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

Ms Ada WONG Ying-kay, JP

Dr YAU Wing-kwong, JP