

SHAPING THE FUTURE

HONG KONG TOURISM BOARD

ANNUAL REPORT 2013/14



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MESSAGES FROM CHAIRMAN AND EXECUTIVE DIRECTOR

Our Chairman and Executive Director would like to share a few words with you on Hong Kong's tourism development and the strategic direction of the Hong Kong Tourism Board.



Chairman's Message



The landscape of modern tourism is forever changing and increasingly competitive. In this challenging climate, we have to act swiftly and decisively to ensure the healthy and sustainable development of Hong Kong tourism. There is an added urgency to this mission because of the importance of tourism to Hong Kong. It is an industry that directly employs more than 230,000 people and which produced HK\$332 billion in income for our city in 2013.

That is why we work tirelessly to identify and act upon tomorrow's opportunities today to ensure our tourism

industry goes from strength to strength. While maintaining a diverse visitor portfolio continues to be our overarching strategy, we must respond quickly and flexibly to emerging market trends to seize new opportunities.

In 2013/14, we identified three areas with long-term potential – cruise travel and multi-destination travel, whose popularity continues to grow, and MICE travel, which has remained relatively stable despite a dip in business travel amidst the volatility of the global economy.

To capitalise on these vital trends, we rolled out a number of new initiatives. In the area of cruise travel, following the successful opening of the Kai Tak Cruise Terminal, we launched the Asia Cruise Fund with the Taiwan Tourism Bureau to bolster regional co-operation. The network has since been extended to ports across the region.

We also stepped up our efforts to promote MICE tourism by proactively reaching out to event organisers and offering outstanding support to persuade them to come back to Hong Kong year after year, like the prestigious Watches&Wonders which has again chosen us as its destination after a 2013 debut here.

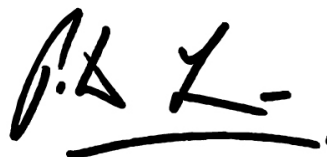
Multi-destination tourism remains a significant evolving trend too, particularly with the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge due to be completed soon. We are working more closely than ever with neighbouring cities in the region to offer attractive itineraries to visitors looking for multi-attraction holiday ideas.

Most importantly, we must stay diligent in improving areas that serve to enhance Hong Kong's "Asia's World City" destination appeal, such as enriching the events calendar, preserving and promoting events with international appeal, and raising the bar for service quality.

I would like to take this opportunity to thank all of our partners, including the government and the travel trade, for their staunch and continuous support, without which none of our initiatives would have been possible.

We can never completely control our destiny, of course. What happens tomorrow will always be uncertain, especially in a turbulent global economy, and with intense competition from rival destinations.

We can, however, shape our future by working closely with our partners and the community to make the most of emerging trends. By seizing those opportunities today, we can create a bright future for our tourism industry and for our city.

A handwritten signature in black ink, appearing to read 'P. Lam', with a horizontal line underneath.

Dr Peter Lam
Chairman
Hong Kong Tourism Board

Executive Director's Statement



2013 was another remarkable year for tourism in Hong Kong. Our visitor numbers surpassed 54 million, and we took in an unprecedented HK\$332 billion in tourism receipts.

Today, thanks in large part to the concerted effort of our tourism industry, the government and the community, Hong Kong is one of the world's most popular cities to visit,

and has since 2010 topped Euromonitor International's Top 100 City Destinations Ranking.

These are achievements we can take pride in, but we must not forget that success tomorrow depends upon our continuing hard work today, and we are determined to maintain our efforts to ensure the sustainable long-term growth of our tourism industry.

To pave way for the future, the Hong Kong Tourism Board (HKTB) concentrated on various key areas in 2013/14, including the following:

Driving the growth of overnight visitors by investing in 20 high-potential markets

Our main goal remained to uphold Hong Kong's position as a world-class, international travel destination and maximise the benefits generated by tourism to Hong Kong's economy. To this end, we focused our energy on attracting overnight visitors from the high-yield segments, namely the mid-career and achiever segments, and put most of our resources into 20 high-potential markets, with the majority of our marketing budget allocated to the global, non-Mainland markets.

Bolstering our tourism brand and our creative marketing efforts

The key to promoting Hong Kong is to put the city in the forefront of people's minds. We have continued to successfully brand ourselves as Asia's world city and have launched a series of internationally acclaimed marketing and PR campaigns to stimulate travellers' desire to visit Hong Kong.

Enhancing the visitor experience through mega events and quality service

At home, we put on a rich calendar of events, including the American Express Hong Kong Wine & Dine Festival, which has been growing in popularity year by year, and Hong Kong WinterFest, our hugely popular Christmas celebration. We also enhanced our service programmes, including the Quality Tourism Services Scheme, and expanded our professional support for the travel trade through a dedicated hotline to ensure quality service and assistance for visitors.

Capitalising on new trends to attract high-yield visitor segments

Last year, both total cruise passenger throughput and overnight MICE arrivals to Hong Kong showed a year-on-year

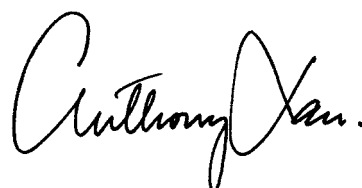
increase. To grow the high-potential cruise and MICE segments, the HKTB launched the Asia Cruise Fund with the Taiwan Tourism Bureau, with the aim of encouraging cruise co-operation among regional ports, and put greater effort into persuading associations and conference organisers from the US, Europe and Mainland China to choose Hong Kong for their future events.

Fostering closer partnership with the trade and other stakeholders

Most certainly, our marketing initiatives on all fronts require the support of our trade partners to succeed. In 2013/14, we continued to work closely with our partners to promote Hong Kong. In addition to organising and supporting regular trade activities, we supported a new batch of Explore Hong Kong Tours developed by the travel trade under our New Tour Product Development Scheme. We also further upgraded our PartnerNet website to better connect with and create more business-building opportunities for the local and international travel trade.

All our work is the joint effort of the HKTB and our partners, including the government, our sponsors, the travel and related sectors, our Board Members and all of my colleagues at the HKTB.

I would like to take this opportunity to thank them all for their support over the past year, and I look forward to shaping the future for Hong Kong tourism through our continued partnership.



Anthony Lau
Executive Director
Hong Kong Tourism Board

BOARD MEMBERS

Meet our Board Members, who help steer the Hong Kong Tourism Board with their expertise in different tourism-related areas.





Board Members

As at October 2014



Dr Peter Lam *(Chairman)*
Chairman
Lai Sun Group



Philip Yung, JP
(Deputy Chairman)
Commissioner for Tourism
Commerce and Economic
Development Bureau
The Government of
the Hong Kong SAR



Florence Chan
Partner
Ernst & Young



T C Chan, BBS, JP
Senior Adviser
The Bank of East Asia, Limited



Victor Chan
Chairman
Hong Kong Hotels Association
(note i)



Benjamin Chau
Deputy Executive Director
Hong Kong Trade
Development Council



Winston Chow
Director & Deputy
General Manager
Chow Sang Sang Holdings
International Limited
(note ii)



Sir Wayne Leung
Managing Director
The Local Printing
Press Limited



Poman Lo
Vice Chairman &
Managing Director
Regal Hotels International
Holdings Limited



Perry Mak
Publisher & Group
Managing Director
Hong Kong Economic Times



Barry D. Nassberg
Group Chief Operating Officer
Worldwide Flight Services
(note ii)



Winnie Ng
Director
The Kowloon Motor Bus Co
(1933) Limited


Paulo Pong

Founder & Managing Director
Altaya Group
International Limited
(note ii)


Nansun Shi

Executive Director
Film Workshop
Company Limited


The Hon Sin Chung-kai,
SBS, JP

Legislative Councillor


Winnie Tam, SC

Barrister-at-law
Senior Counsel of
the Hong Kong Bar
(note ii)


James Tong

Director
Corporate Affairs
Cathay Pacific
Airways Limited
(note iii)


Michael Wu, MH, JP

Chairman
Travel Industry Council
of Hong Kong


Yip Wing-sie, BBS, JP

Music Director
Hong Kong Sinfonietta
(note v)


Linda Yuen

Managing Director
Sightseers (HK) Limited

Notes:

- (i) Appointment effective from 19 July 2014.
- (ii) Appointment effective from 1 November 2013.
- (iii) Appointment effective from 16 August 2014.
- (iv) The following members also served the Board during the year ended 31 March 2014:
Dr Michael Chan, Ms Shirley Chan, Mr Stanley Hui and Mr Larry Kwok retired on 31 October 2013;
Mr William Mackay and Ms Chitty Cheung resigned on 18 July 2014 and 15 August 2014 respectively.
- (v) Photo courtesy: Yvonne Chan

TOURISM PERFORMANCE

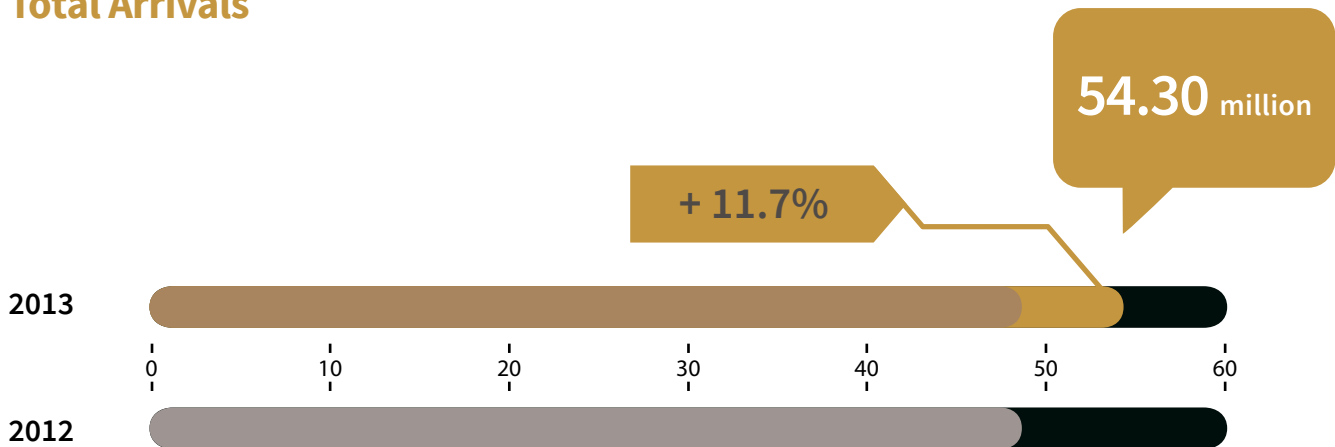
Tourism is one of the core pillars of the Hong Kong economy. Turn to the next page to see how it performed in 2013.



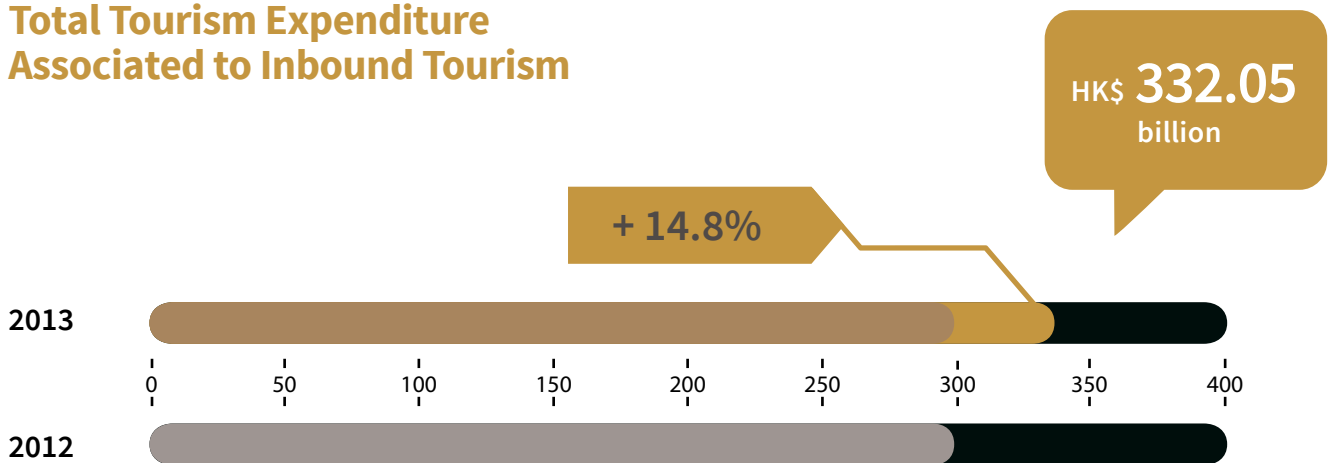


Tourism Performance

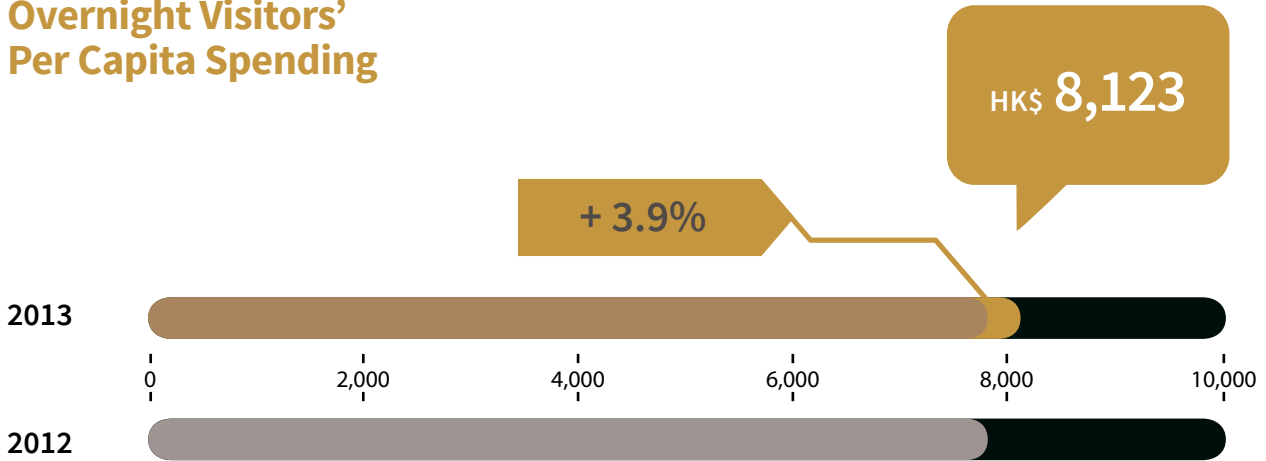
Total Arrivals



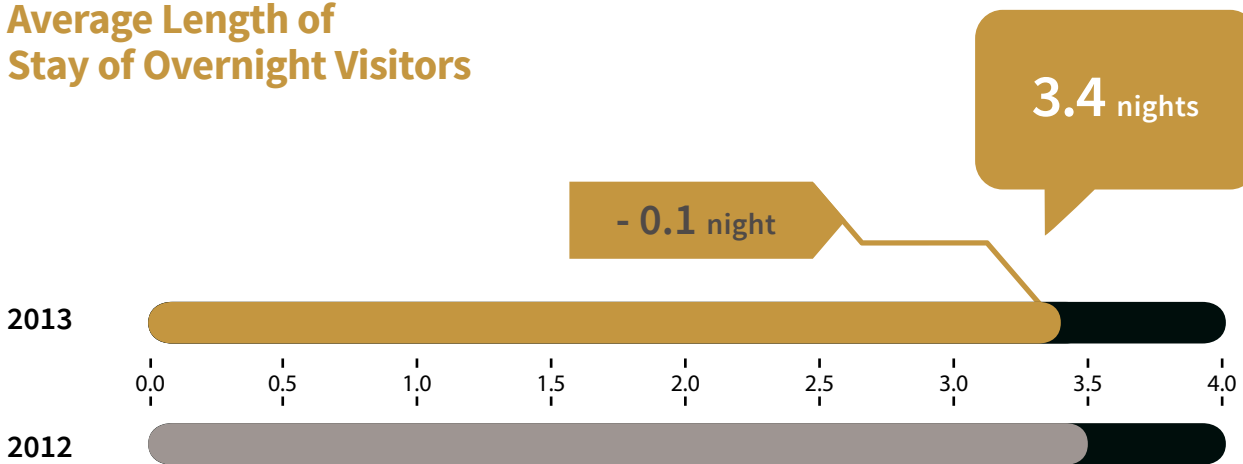
Total Tourism Expenditure Associated to Inbound Tourism



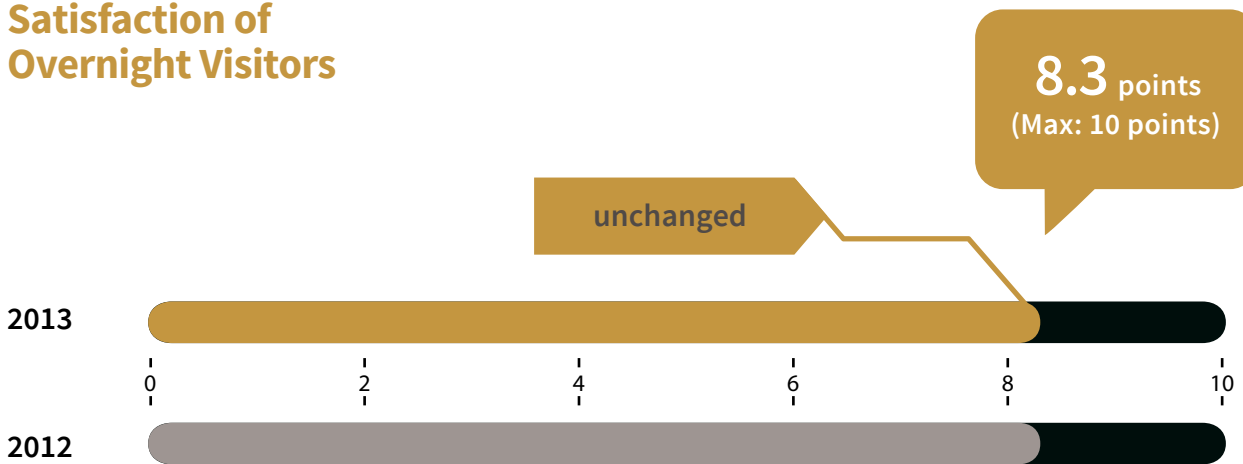
Overnight Visitors' Per Capita Spending



Average Length of Stay of Overnight Visitors



Satisfaction of Overnight Visitors

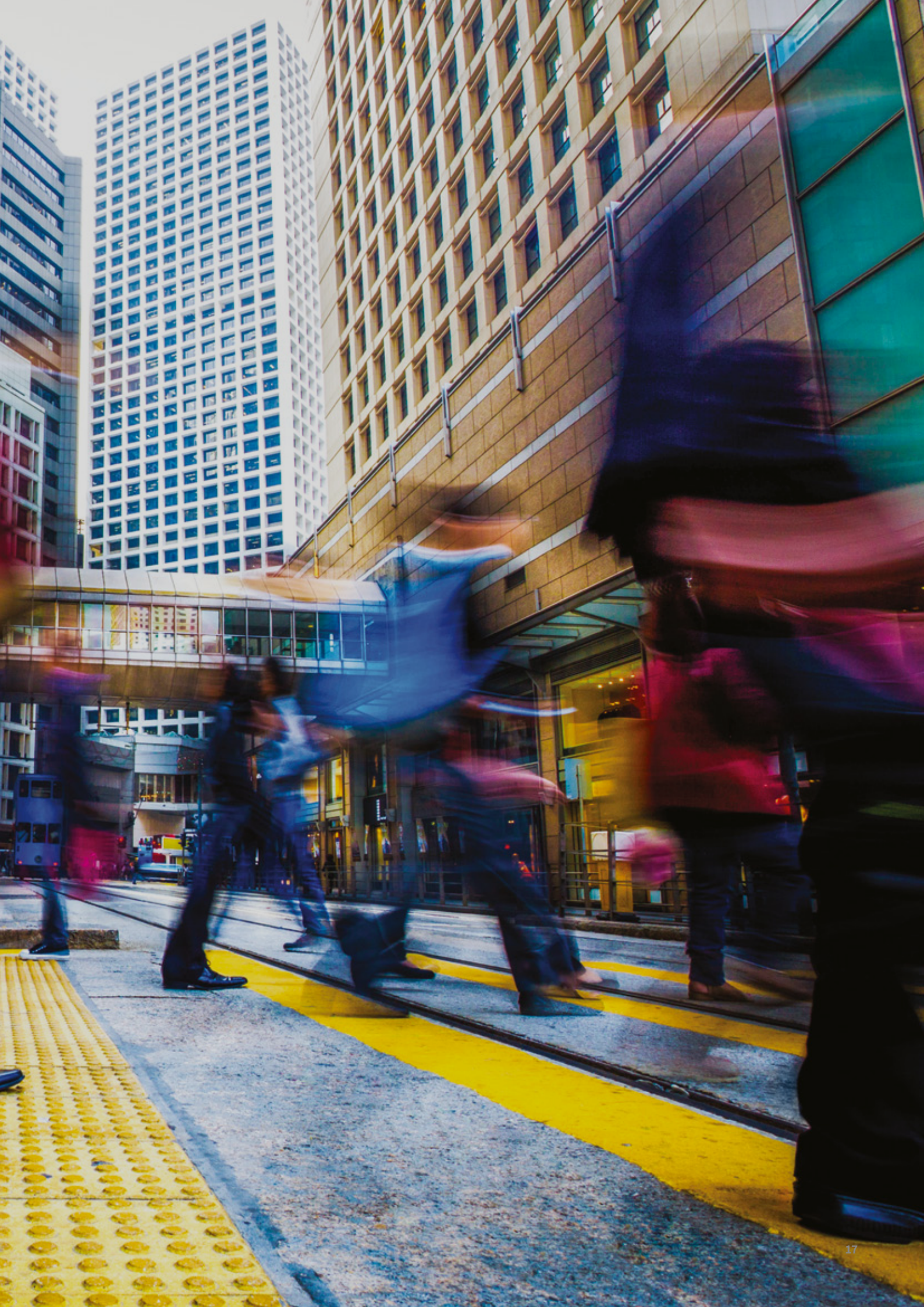


STRATEGIC FOCUS

Take a look at the Hong Kong Tourism Board's marketing strategy for engaging visitors, trade partners and media worldwide, as well as the local community.

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Destination Branding

Hong Kong • Asia's World City

A brand is more than a logo; it has a personality, it conveys a lifestyle, it projects experiences, and it makes promises. When the HKTB adopted “Hong Kong • Asia’s world city” as the destination brand of Hong Kong, it wanted to synergise with the Government’s city branding effort and create a brand name that allows travellers to know what to expect when they hear it.

After consolidating its branding effort with the revamp of DiscoverHongKong.com and the launch of the entire Asia’s world city TV commercial series in 2012/13, the HKTB implemented the brand across all market promotions, projects and campaigns.

As the HKTB continued to promote the diverse tourism offerings of Hong Kong, it showcased the city’s strengths in three specific areas under the “Asia’s world city” brand umbrella: mega events, MICE tourism and

cruise tourism, with the themes “Asia’s events capital”, “World’s meeting place” and “Asia’s cruise hub”, respectively, demonstrating Hong Kong’s all-round attractiveness as a travel destination.

happy@hongkong

Travelling opens our eyes to other cultures, which are, after all, about people. Perhaps what is priceless about tourism is the human interaction and exchange it facilitates. To this end, in the summer of 2013, the HKTB launched a campaign, called happy@hongkong, to promote friendly interaction between the local people and visitors. The campaign’s primary tool was a series of TV commercials which demonstrated how a friendly gesture could warm hearts and even lead to friendships. It was also supported by bus advertising, tram advertising, advertising at major ports-of-entry, and in-town posters.



Highlights

The happy@hongkong videos were also broadcast on YouTube and other online channels. It was viewed:

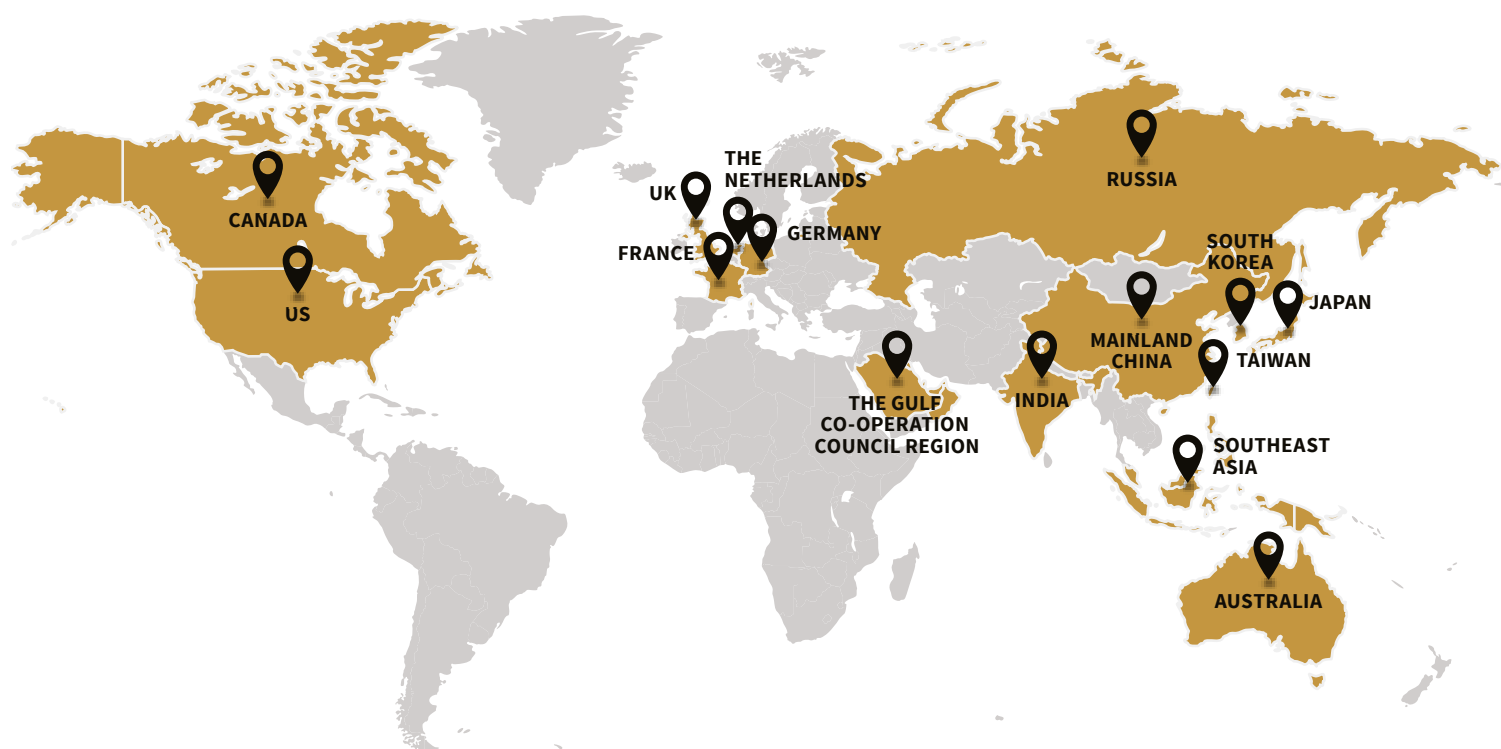
- 5.4 million times in Mainland China;
- 2.5 million times in Taiwan; and
- 8.8 million times in Southeast Asia



Overseas Promotions

The “think globally, work locally” marketing mindset is manifest in the HKTB’s overseas promotions. With promoting Hong Kong innovatively in mind, the HKTB adapts its strategies according to the local situation in individual markets, ensuring its promotions are rolled out in the right place, at the right time and for the right visitor segments.

In 2013/14, the HKTB invested three quarters of its marketing budget in overseas markets and rolled out a great variety of initiatives. In the next few pages, we would like to share with you some examples.



Mainland China

Taste of Hong Kong Exhibition

What happens when you combine dining and technology? In the HKTB’s case, it stimulated visitors’ imagination, creating a desire to try “the real thing” in Hong Kong.

In early 2014, the HKTB staged “Taste of Hong Kong” exhibitions in Beijing, Shanghai, Chengdu and Xiamen. The consumer-oriented exhibitions, interactive in nature, consisted of four sections: a simulated dining experience, featuring the winning dishes from the Best of the Best Culinary Awards, a mock-up of a *cha chan teng* corner,

a *dim sum* exhibit, made from ceramics by Taiwanese artist Chu Fang Yi, and screenings of documentaries about four traditional dishes, namely congee, rice noodles, noodles and rice.

In addition to tempting consumers with virtual delicacies, the HKTB introduced an award element with a lucky draw: the exhibition visitors who showed they were following the HKTB on social media platforms *Weibo* and *Weixin* on their smart phones could receive scratch cards for a chance to win prizes, including a cruise trip, return flights to Hong Kong, free hotel accommodation, and souvenirs.



Highlights
Results:
One exhibition, four cities,
263,818 visitors, over 41 million RMB
in publicity value.



Taiwan

Pumpkin Field at Huashan 1914 Creative Park

Formerly a wine-producing factory, Huashan 1914 Creative Park today is a major creative arts hub in Taipei, with cultural activities like exhibitions and outdoor concerts.

Since the cultural precinct is a favourite hangout of young people and families, it became the perfect venue for the HKTB's Hong Kong Halloween Treats promotion. From late September to early October 2013, 60 pumpkin installations, large and small, were scattered on the lawn of the park, creating an amazing sight, especially in the evening

when they were lit up. In only one week, the pumpkin field attracted over 260,000 visitors.

Complementing the static pumpkin field, the Halloween Treats' iconic pumpkin mascot led flash mobs to major MRT stations, shopping malls, Eslite bookstores and landmarks to arouse curiosity. The HKTB's Facebook page was also filled with posts on Hong Kong Halloween Treats during the promotion period to drum up publicity for both the pumpkin field and Hong Kong.



Highlights
In Taiwan, the HKTB's promotions are closely tied with its mega events, particularly those that appeal to young people and families.

Japan

Hong Kong Live at Roppongi Hills

In today’s social media-crazed world, everyone seems to have their 15 minutes of fame, but de facto celebrities continue to hold a special place in people’s hearts, and this is especially so in Japan.

Well aware of celebrities’ influence in the popular culture-dominated market, the HKTB drew attention to its “Hong Kong Live at Roppongi Hills” promotion with programmes hosted by public faces, including super model Ai Tominaga, make-up artist IKKO, and singer-songwriter

Reo leiri. Staged at the upscale Roppongi Hills district in early November 2013, the promotion was an attempt to reboot tourism traffic from Japan to Hong Kong, which was, for a sustained period, hampered by natural disasters and currency-exchange factors. The promotion’s highlight was the announcement of Japan’s top dance and vocal unit EXILE as “Hong Kong Friendship Ambassador 2014”.

With support from Japanese celebrities and the Hong Kong travel trade, the three-day consumer promotion showcased, and reignited Japanese travellers’ interest in, Hong Kong’s local culture and Chinese cuisine.



Highlights

Celebrity endorsement and large-scale consumer promotions are effective tools for maintaining Hong Kong’s presence in Japan, a mature market for Hong Kong.



South Korea

Cosmopolitan Feature Story & LG’s Worldwide Promotional Video

Whereas many office ladies in Hong Kong have fallen head over heels for (almost) everything Korean, young office ladies in South Korea like travelling to Hong Kong for its food and fashion.

Targeting this fun-loving visitor segment, the HKTB invited singer-actress Eugene Kim to visit Hong Kong for the feature story “Get it Beauty” in *Cosmopolitan*, which was published in the summer. Making a trip to Hong Kong even more tempting were special packages featuring the voguish,

Westernised SoHo district for free independent travellers, with discounts on the packages for BC Card holders, rolled out by the HKTB and its trade partners right after the release of the *Cosmopolitan* feature.

In the winter, in another major PR campaign generating huge publicity for Hong Kong, LG was persuaded to include Hong Kong – the only Asian city chosen – in the promotional video for their new 8k ultra high-definition TV. Given the popularity of the LG brand around the world, consumers not just in South Korea but also in major cities around the world can enjoy a beautifully choreographed light show, featuring Hong Kong’s skyline in shops selling LG TVs.



Highlights
The HKTB leverages the popularity of Korean pop culture, particularly TV, to reach both Korean and other Asian travellers.



Southeast Asia

Celebrities Promoted Summer in Hong Kong

The HKTB invited young, energetic bloggers, actresses, TV hosts and other lifestyle icons to take part in the “2013 Visa go Hong Kong Super Shopper” for a reason: to entice young people with Hong Kong’s hip lifestyle and trendy offerings.

The HKTB’s major summer promotion in Southeast Asia in 2013/14 tied in with the shopping contest, the tour de force of its Hong Kong Summer Spectacular campaign. In Thailand, Singapore, Malaysia, the Philippines and Indonesia, young celebrities were invited to pair up with one of their fans to take part in the Hong Kong

Super Shopper competition. To generate pre-publicity, the HKTB partnered with media organisations based in these five markets to recruit the fan contestants.

The HKTB also took care of other visitor segments. In Malaysia, where two-thirds of the population is Muslim, the HKTB invited Aaron Aziz, a top actor in Malaysia and also a devoted Muslim, to visit Hong Kong and develop four Muslim-friendly itineraries. And in Indonesia, where an estimated 23 million people are native speakers of Bahasa Indonesia, the HKTB published a Hong Kong guidebook written in the Indonesian language, and distributed it through *Femina*, a leading Indonesian women’s magazine.



Highlights

Families and young people are two key visitor segments for the HKTB in Southeast Asia. Many of its promotions are therefore strategically rolled out to drive arrivals in summer and winter.

The Hong Kong Super Shopper contest was title-sponsored by



© Femina



© Femina

India

Hold My Hand in Hong Kong

Film adaptations have been around for almost as long as films have existed, but using a novel and a film for tourism promotion is relatively new.

In India, the HKTB became the first tourism bureau in the world to promote a destination using the two media together. Two trends gave rise to the idea: first, rising literacy and book sales in the Indian market, and second, the continued strong influence of Bollywood.

In the first part of the campaign, the novel *Hold My Hand* was a joint project with bestselling young author Durjoy Datta.

He came up with the love story after a trip to Hong Kong, and the book soon swept to the top of various booklists, including the top 10 list of HT Nielsen.

The HKTB extended the campaign to the film industry, partnering with Whistling Woods International, one of the world’s best film schools, on a short-film making competition riding on Durjoy Datta’s book. The winning and shortlisted films, available on YouTube, together with the “Hold My Hand Romantic Package” the HKTB developed with tour operator Thomas Cook, proved a successful driver of visitor traffic from India to Hong Kong in the winter, with Indian arrivals to Hong Kong up 4.9% year on year in 2013.



Highlights

Hold My Hand in Hong Kong – a widely recognised campaign:

- Grand Award of Excellence, 2nd Hong Kong Public Relations Awards (2014)
- Most Creative Campaign Award, 2nd Hong Kong Public Relations Awards (2014)
- Gold Award in the “Integrated Marketing Communications” category, 2nd Hong Kong Public Relations Awards (2014)
- Winner in the “Marketing – Primary Government Destination” category, PATA Gold Awards 2014
- Silver Award in the “Campaigns” category, Astrid Awards 2014
- Bronze Award in the “DVDs/ Video: Travel/Tourism” category, Mercury Awards 2013/2014
- Certificate of Excellence, South Asia PR Campaign of the Year, PRWeek Awards Asia 2014

The HKTB employs an integrated strategy in India that covers PR, tactical trade co-ops and digital marketing.

The Gulf Co-operation Council Region Pre- and Post-Ramadan Family Promotion

In its promotions targeting the Muslim population in the Gulf Co-operation Council region, the HKTB puts the main focus on the period prior to Ramadan – the ninth month in the Islamic calendar, which Muslims observe as a month of fasting – in order to encourage Muslim consumers to think of Hong Kong when deciding where to go during the post-Ramadan holiday. As the peak holiday season in 2013 began in August, in June the HKTB distributed a family guidebook through a magazine in the United Arab Emirates to arouse interest in Hong Kong.

The HKTB’s promotion wasn’t, however, limited to the summer. In winter, it organised a large-scale consumer event at the family-friendly Mirdif City Centre, featuring cultural performances and games. Since the promotion targeted family visitors, the HKTB invited Hong Kong theme parks and other attractions to showcase their products at the shopping centre, and Hong Kong packages were promoted at the event.



Highlights
Since awareness of Hong Kong as a travel destination is not widespread in the GCC region, the HKTB sticks to more traditional forms of promotion, such as consumer events and cultural performances, to raise Hong Kong’s profile.



Australia

An Integrated Summer Campaign with Travel Retailer Flight Centre

As value for money is a primary concern for Australian travellers when they consider a trip to Hong Kong, the HKTB tries to increase their incentive to book a Hong Kong trip by rolling out special packages from time to time with travel agencies.

During summer in 2013, the HKTB partnered with Flight Centre, Australia’s biggest travel retailer, to launch a range of value-added, four-night packages to Hong Kong. Along with trying to reduce the price barrier, the HKTB raised

Hong Kong’s profile and instilled in travellers a sense of urgency to visit Hong Kong in the summer through advertising in both traditional and online channels, including outdoor advertising, TV commercials, online displays, social media and search engine enhancement.

The HKTB also reached out to the young professionals, one of the target segments of the summer promotion, through bloggers Lady Melbourne and An Australian Wintour, who shared their personal experience of Hong Kong’s shopping, fashion, dining and nightlife on their blogs.



Highlights
 For this long-haul market, the HKTB makes travelling to Hong Kong more tempting to consumers through tactical travel packages launched in partnership with airlines and travel agencies.



US

Hong Kong Live at The Grove

If you ever have the chance to visit The Grove, an upmarket retail and entertainment complex in Los Angeles, you may find a trace of Hong Kong on the electric-powered Grove Trolley that takes you to the Farmer’s Market. According to Rick Caruso, the owner of The Grove, the double-decker tram idea was inspired by a visit to Hong Kong several years earlier.

Of course, the connection between Hong Kong and Los Angeles is much more than the Grove Trolley; there are also strong tourism ties between the two cities. The US has been one of Hong Kong’s top visitor markets for many years, with LA one of the top cities. To further strengthen these ties, the HKTB brought its “Hong Kong Live” promotion to The Grove in early summer in 2013. Rick Caruso was personally present

at the event’s opening as an officiating guest, as was Los Angeles City Council Member Tom LaBonge.

The three-day consumer event was a showcase of Hong Kong culinary flair. All five epicurean activities, including cooking classes and live demonstrations by three Hong Kong Michelin-starred chefs, were sold out. The fine flavours even attracted Pulitzer-winning food critic Jonathan Gold, who wrote about the promotion in the *Los Angeles Times*.

The Grove visitors also experienced some of Hong Kong’s best-kept traditions, such as face-changing and *tai chi*. Adding vibrant colour to The Grove throughout the promotion was Hong Kong architect William Lim’s fish installations, which were crafted using the bamboo-scaffolding method unique to Hong Kong.



Highlights
In the US, Hong Kong’s biggest long-haul visitor market, the HKTB employs a mix of marketing strategies and public relations, from consumer events to digital marketing. It also strives to attract large-scale conventions from the market, where many major international conference organisers and industry associations are headquartered.



Canada

Promoting Multi-Destination Travel

The majority of Canadians who travel to Hong Kong also go somewhere else on the same trip – the percentage was as high as 87% in 2013. Therefore, one of the HKTB’s key strategies for this market is to partner with other Asian national tourist offices, such as the China National Tourist Office (CNTO) and the Tourism Authority of Thailand (TAT), as well as the Shenzhen Municipal Bureau of Culture, Sports and Tourism and the Guangdong Tourism Administration in the Pearl River Delta, to promote multi-destination travel.

Early last summer, the HKTB, together with the CNTO and TAT, launched an integrated marketing campaign with the

Toronto Star, Canada’s largest daily newspaper, to drive traffic to Hong Kong, Mainland China and Thailand. In co-operation with the CNTO, the HKTB organised an out-of-home campaign targeting Calgary, as well as a media-familiarisation visit to Hong Kong and Sichuan. And with TAT, the HKTB launched a digital campaign promoting Hong Kong and Thailand as the best Asian city/ beach combo package.

Along with its multi-destination promotions, the HKTB reinforced the Hong Kong Asia’s world city brand through digital campaigns on AdoTube and YouTube, and ran an aggressive Facebook fans acquisition campaign.

Embracing Hong Kong’s greener side



Head city's bright lights and skyscrapers, there's something for nature lovers

RELATIONSHIP DEVELOPMENT
The city's green landscape and scenic spots are a major attraction for tourists. The millions of visitors who flock to Hong Kong each year are drawn to the city's vibrant culture and scenic spots. The city's green landscape and scenic spots are a major attraction for tourists. The millions of visitors who flock to Hong Kong each year are drawn to the city's vibrant culture and scenic spots.

ABOUT THE FACTS
Hong Kong is one of the world's most densely populated cities. The city's green landscape and scenic spots are a major attraction for tourists. The millions of visitors who flock to Hong Kong each year are drawn to the city's vibrant culture and scenic spots.

© Toronto Star



HONG KONG

ASIA TRAVEL

HONG KONG

© thestar.com



HONG KONG

ASIA TRAVEL

HONG KONG

© thestar.com

Mesmerizing sights, memorable people



Headline activities and scenery awaits in Hong Kong, China and Thailand

RELATIONSHIP DEVELOPMENT
The vibrant night scene in Hong Kong is a major attraction for tourists. The millions of visitors who flock to Hong Kong each year are drawn to the city's vibrant culture and scenic spots.

ABOUT THE FACTS
Hong Kong is one of the world's most densely populated cities. The city's vibrant night scene is a major attraction for tourists. The millions of visitors who flock to Hong Kong each year are drawn to the city's vibrant culture and scenic spots.

© Toronto Star



HONG KONG

ASIA TRAVEL

HONG KONG

© thestar.com

Highlights

Promoting multi-destination travel is one of the HKTB’s key strategies in Canada.

- Results of campaigns:
- Integrated marketing campaign with the *Toronto Star*: 2.6+ million impressions
 - Digital campaigns on AdoTube and YouTube: 700,000+ completed viewership of the HKTB-brand video
 - Facebook fans acquisition campaign: earned the *Discover Hong Kong* Facebook page 25,000+ Canadian fans

UK

“Ching” in Hong Kong

Finding a link between a celebrity and a product is the key to success of celebrity endorsement. In 2013/14, the HKTB identified chef and TV personality Ching-he Huang, better known as “Ching” in the UK, to promote Hong Kong’s dining scene to the British audience. Having appeared in popular cookery programmes, including BBC1’s *Saturday Kitchen*, written five bestselling cookbooks, and developed her own cooking utensil brand, Ching has made a name for herself in the UK and even the US.

In September 2013, the HKTB invited Ching to film various mini-travelogues in Hong Kong, in which she visited her

favourite spots for *dim sum*, authentic British food, cocktails, and more.

Back in the UK, Ching met with the travel trade and media during World Travel Market, the biggest industry event in the UK, and attended a Chinese New Year lunch organised by the HKTB to promote both Hong Kong and the bespoke Hong Kong tour package she developed with Wendy Wu Tours.

If you like cooking, check out Ching’s website for the original recipes she created with inspiration from her Hong Kong trip. You can also find the mini-travelogues on both her website and the UK version of DiscoverHongKong.com.



Highlights

In the UK, PR, especially co-ops with TV, plays an important role in the HKTB’s promotions.



France

Promoting Hong Kong's Art Scene

French people are known for their love for the finer things in life. Catering for their refined tastes, the HKTB invited major TV and print media to showcase Hong Kong's thriving art scene to their viewers and readers throughout the year.

Through pitching by the HKTB, *Valeurs Actuelles*, a conservative magazine with almost 200,000 readers and subscribers, published a spread on Hong Kong's edge as an arts hub in Asia, with a focus on galleries in Central

and other major arts facilities, such as the Hong Kong Arts Centre. Design magazine *IDEAT* did a substantial feature story titled "Hong Kong plateforme de la creation", portraying Hong Kong's creative energy through extensive reporting on the arts scene and glossy images of trendy faces and places. And TV5 produced a programme on art and French influences in Hong Kong, including a special interview with Dr Lars Nittve, chief of M+, West Kowloon Cultural District Authority.



Highlights
 The HKTB raises Hong Kong's profile in France mainly through the media. It also showcases Hong Kong's food culture and living culture through the Bordeaux Wine Festival, the world's best-known culinary and cultural festival, held every other year.



l'ère l'époque historique où les pilotes de Jumbo se battaient entre les buildings pour trouver la piste de l'aéroport Kai Tak, mention au Best of the Best de Hong Kong. Les attractions restent des moments inoubliables pour ceux qui les ont connus. Aujourd'hui, l'arrivée est moins périlleuse, tout en gardant un certain caractère de surprise, avec cette sensation de se poser en pleine mer sur une île artificielle, ouverte au trafic depuis 1998. En tant qu'île, même avec l'Airport Express, la ville n'est qu'à une demi-heure. Mais attention ! Hong Kong désigne l'île sur laquelle la cité s'est construite mais aussi l'ensemble d'îles périphériques et la péninsule de Kowloon, sur le continent, autrement nommée les Nouveaux Territoires et qui s'étendent sur un millier

d'excursions. Il faudra ainsi attendre quelques décennies pour voir arriver le premier Mandarin Oriental. Aujourd'hui, on ne compte plus les Hyatt, Ritz Carlton, Four Seasons et W mais aussi tout un bataillon de boutiques-hôtels indépendantes qui proposent une offre moins conventionnelle. « La clientèle à Hong Kong a évolué et elle est maintenant demandeur de nouveaux produits, plus personnelle et surtout qui désignent une autre approche de l'île », assure le Français Henry Muller, à la tête du récent Mira Moon mis en œuvre par le designer néerlandais Marcel Wanders. Il en va de même pour le secteur de la restauration qui a bien saisi les enjeux gastronomiques à relever ici, partant du principe « merci, monsieur de Talleyrand ? - qu'on ne fait pas de bonnes affaires sans un bon

vité de shopping n'échappe pas. On assiste constamment à l'éclosion de boutiques originales et plus intimistes qui proposent une véritable alternative à la vision d'enseignes de luxe, positionnées tout au long de Queen's Road et de Nathan Road à Kowloon.

La culture, enjeu d'attraction touristique
 Pour autant, il manquait une dernière pièce à ce puzzle lifestyle pour sortir du strict phénomène de la consommation pure et dure, et pour faire en sorte que Hong Kong ne soit pas qu'une cité marchande mais bel et bien une destination attractive pour les touristes dévoués. Autrement dit, il fallait qu'elle soit dotée d'un patrimoine culturel et artistique. Or on ne peut pas

© IDEAT

Germany

Hong Kong at ITB Berlin

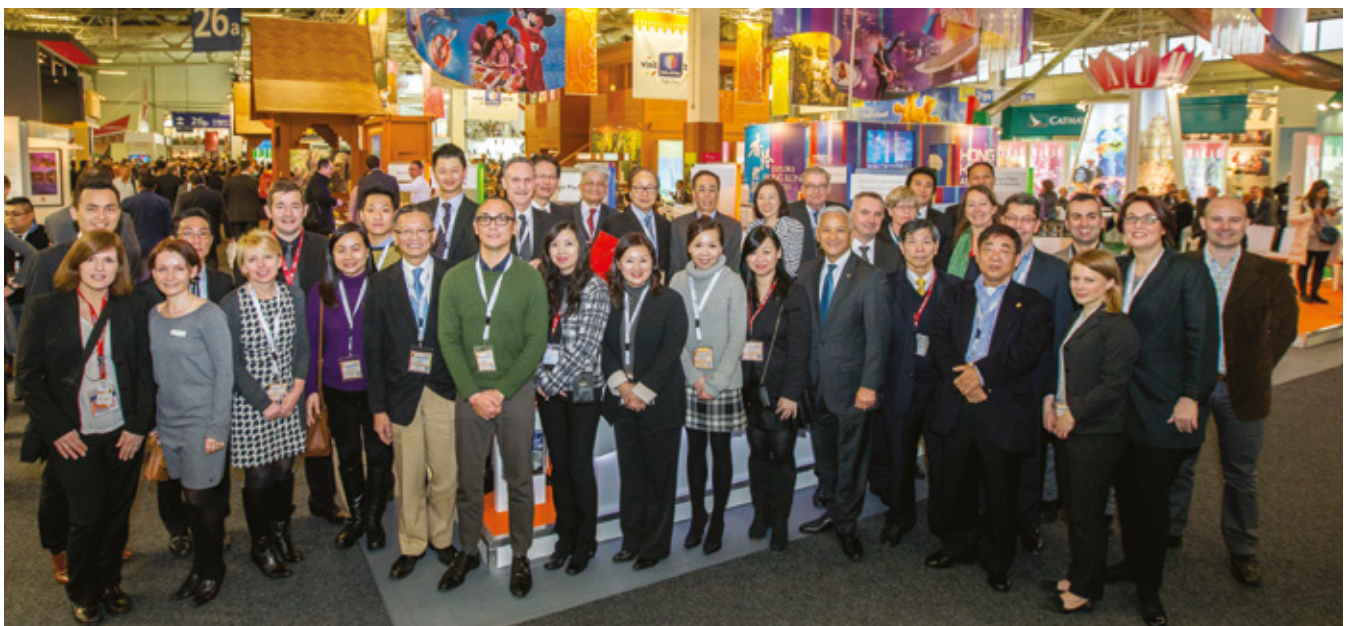
One of the biggest and most established travel trade shows in the world, ITB Berlin is a solid platform for the HKTB to reach out to its trade partners, not just in Germany, but also from around the globe. During 2013's event, which attracted over 10,000 exhibitors and 110,000 trade visitors, the HKTB was joined by numerous Hong Kong trade partners to promote Hong Kong's latest offerings. The HKTB also leveraged the industry event to introduce some of its initiatives, including the "Explore Hong Kong Tours",

developed under the New Tour Product Development Scheme, and the "Hong Kong Specialist" programme, an online training programme on the PartnerNet website, both of which help overseas travel agents better promote Hong Kong to their clients.

In addition to this important industry event, the HKTB raised Hong Kong's profile in Germany through the media. In 2013/14, over 20 media organisations, including NDR's Mare TV, GQ and ELLE, sent representatives to Hong Kong for a variety of stories.



Highlights
The HKTB reaches out to the travel trade in Germany and central Europe via ITB Berlin, the world's leading trade fair. It also invites media from the German market to Hong Kong for familiarisation visits to generate publicity.



The Netherlands

“The Mole” in Hong Kong

Despite competition from the Internet and smart devices for people’s leisure time, TV remains an influential media, and reality shows continue to be a popular form of mass entertainment.

In the Netherlands, the game show *Wie is de Mol*, meaning Who is the Mole, has a rating second only to that of the country’s national news programme, with each episode watched by over two million viewers. In each season, the contestants go to one or several cities to take up challenges where the cities’ local cultures and landscapes are smoothly woven in.

For season 14, the crew, including 10 Dutch celebrities, filmed five episodes in Hong Kong. Many of the challenges

were adrenaline-boosting – dangling from the dam in Pok Fu Lam Reservoir, for example – while others involved the local culture – spotting fellow contestants in a traditional Cantonese opera performance in a bamboo theatre, and asking for directions in Cantonese. Hong Kong’s extraordinary skyline and iconic Victoria Harbour took centre stage in one challenge, in which teams had to send messages across the harbour to other teams with laser beams and torches during the Symphony of Lights.

The five episodes vividly brought to the eyes of the Dutch audience Hong Kong’s dynamic city life and buzzing energy. On average, the Hong Kong segment of the show had 2.7 million viewers, not to mention many more who watched the show on YouTube.



© Hans Duran and IDTV

Highlights
In the Netherlands, one of Hong Kong’s new markets, the HKTB’s strategy is to raise destination awareness through PR initiatives and building relationships with the Dutch travel trade.



© Hans Duran and IDTV

Russia

HKTB/S7 Mega Fam for Siberia & the Far East

While it makes sense for tourist destinations to concentrate their marketing resources for Russia in Moscow and St Petersburg, the two most affluent and developed cities in Russia, the HKTB doesn't miss opportunities to open up new visitor sources in this new tourism market, which promises great growth potential.

One such opportunity arose when the airline S7 launched direct flights from Siberia and the Far East to Hong Kong in 2013. Riding on the launch, the HKTB jointly organised a mega familiarisation trip with S7 for 33 travel agents from the two regions in September. Besides site visits and tours for the agents to familiarise themselves with Hong Kong's tourism products, the HKTB arranged a special networking session for them to meet with their Hong Kong counterparts so that they could turn their collaborative ideas into reality.



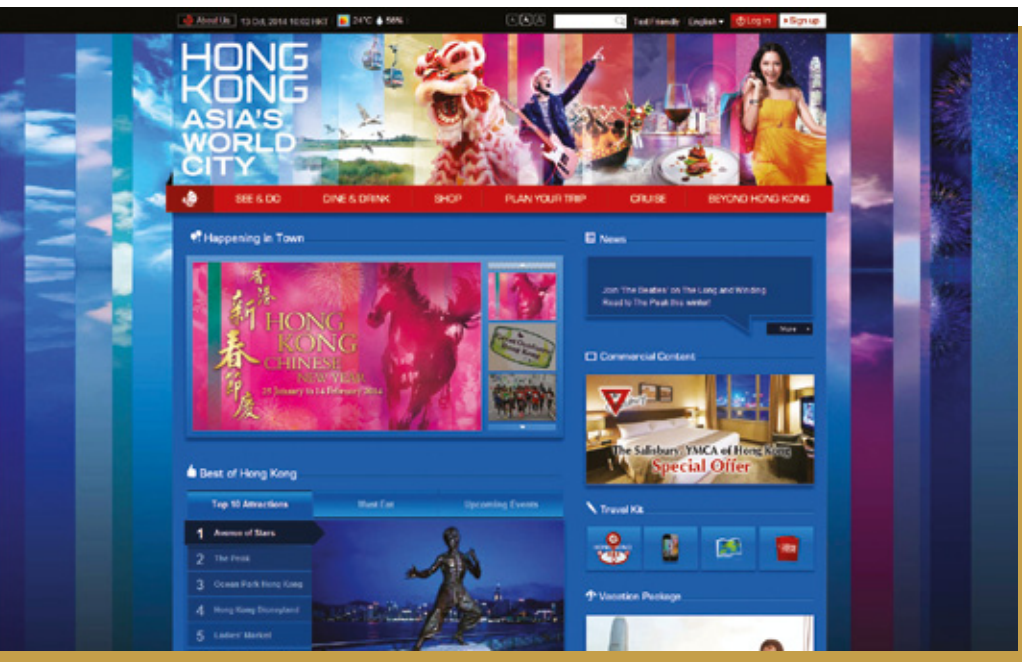
Highlights
Tourism traffic from Russia to Hong Kong depends heavily on flight capacity, and so the HKTB works closely with airlines to promote Hong Kong in this new market.



Creative Campaigns

Creativity is the soul of marketing. Discover some examples of creative PR and digital marketing initiatives rolled out by the Hong Kong Tourism Board last year in the next few pages.

Digital Marketing



Public Relations



Digital Marketing

Be My Guest

There is a reason for marketers to migrate to social media platforms. Just take a look at the numbers: in 2013, Facebook boasted 1.23 billion monthly active users; Twitter, 255 million; Weibo, 129.1 million; and YouTube, more than 1 billion unique users per month. These numbers show that across the world, people, especially young people, who are also the most active consumers, are connected by the online social networks.

While it is easy for marketers to maintain an online presence, it takes skill and tact to engage consumers, who are, if not jaded by information and choice overload, at least more discerning than they were a decade ago.

In light of the above, the “Be My Guest” campaign was a smooth move to bond with consumers and generate word of mouth for Hong Kong as a travel destination.

In the campaign, which was available in a select few of Hong Kong’s short-haul visitor source markets, Facebook users could enter for a chance to win free return tickets to Hong Kong and VIP tickets to events like the Hong Kong Wine & Dine Festival by showing their enthusiasm for visiting Hong Kong and creativity through writing.

The free trip offered an attractive incentive for users to share the campaign on their Facebook page, and the ultimate winners shared posts of their experiences in Hong Kong, which were in turn shared on the HKTb’s Facebook page so that other fans could see them. What can be more convincing than the experiences of real people?

The mechanism may seem simple enough, but the campaign successfully raised awareness of the HKTb’s Facebook page, which gained almost 470,000 new fans in 2013/14. But most important of all, the 28 winners enjoyed themselves thoroughly in their visit to Hong Kong.



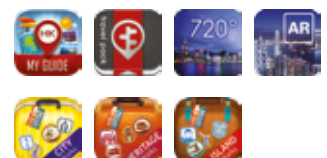
Highlights

Awards won:

- Best Travel Social Media Campaign, Internet Advertising Competition Awards 2014
- Bronze award in the “Promotion – Viral Campaign” category, Astrid Awards 2014, as part of the Hong Kong WinterFest campaign

HKTb’s digital footprint:

- Social media: 2+ million fans and followers (as at March 2014)
- DHK.com: 69.8+ million yearly page views (April 2013 to March 2014)
- Mobile apps: 2+ million cumulative downloads (April 2013 to March 2014)



Public Relations

2013 Visa go Hong Kong Super Shopper

Coming up with creative campaigns has become a daily challenge for PR people these days. In fact, it is a delicate balancing act and no easy matter to try to keep costs down while trying to attract media attention at the same time. It was therefore impressive that the “2013 Visa go Hong Kong Super Shopper” managed to attract reporters from nine markets all the way to Hong Kong to cover the campaign.

The 2013 edition of the competition Hong Kong Super Shopper was like the Hong Kong version of the Amazing Race. Nine contestants were selected through media co-ops in nine short-haul markets, and each of them was paired up with a celebrity from the same country or region. During the

contest, the nine teams had to find their way to checkpoints while completing tasks like taking selfies in front of iconic landmarks or lesser known attractions, trying out local delicacies, or buying a new outfit to highlight different tourism experiences offered in Hong Kong.

The celebrity endorsement strategy had a powerful effect, as the celebrities, who were mostly young lifestyle personalities, including fashion bloggers and TV hosts, helped to showcase Hong Kong’s energetic lifestyle. The campaign also harnessed their influence on social media, which, together with media coverage, generated extensive publicity and maximised the campaign’s cost-effectiveness.



Highlights

Awards won:

- Winner in the “Marketing Media – Public Relations Campaign” category, PATA Gold Awards 2014
- Silver Award in the “Special Events” category, Mercury Awards 2013/2014
- Certificate of Excellence, Asia-Pacific PR Campaign of the Year, PRWeek Awards Asia 2014

Media relations:

400+ overseas media (including 80 TV programmes) invited to Hong Kong in 2013/14

The Hong Kong Super Shopper contest was title-sponsored by





Exciting Events

Hailed as Asia's events capital, Hong Kong has an action-packed yearly events calendar. Take a look at the major events organised or supported by the Hong Kong Tourism Board.



Cultural Celebrations

An Intense Dose of Culture

Among the matrix of skyscrapers and ultramodern infrastructure of Hong Kong, you can still find centuries-old traditions which have been preserved and continue to be piously observed. The Cheung Chau Bun Festival, for example, is believed to date back to the 18th century, and today continues to attract flocks of foreign visitors to the tiny island of Cheung Chau each year, with its colourful and somewhat mythical *piu sik* parade and gravity-defying bun scrambling competition.

In addition to the Cheung Chau Bun Festival, which was added to China’s third national list of intangible cultural heritage and has achieved some international fame, there are a number of other folk festivals embodying Hong Kong’s living culture, such as the celebrations of the birthdays of the Buddha and the deities Tin Hau and Tam Kung. Since these four festivals are all held in springtime, the HKTB packaged them into its “2013 Hong Kong Cultural Celebrations” promotion last year, introducing visitors to precious cultural gems of Hong Kong and making sure they know where to go to take part in these festive activities.



Highlights

To facilitate visitor participation, the HKTB arranged:

- Free tram rides to Shau Kei Wan for visitors to see the Tin Hau Temple and the Tam Kung Festival parade
- Free ferry service to Cheung Chau for the Bun Festival



Dragon Boat Carnival

Battle of the Boats

While the dragon boat is associated with the Tuen Ng Festival and rice dumplings in Chinese communities, dragon boat racing is widely practiced around the world as a team sport, and it was in Hong Kong where it was first recognised as a modern international sport in 1976.

Through the years, the scale of dragon boat racing has expanded tremendously in Hong Kong. The CCB (Asia) Hong Kong International Dragon Boat Races, part of the

Hong Kong Dragon Boat Carnival 2013, attracted 200 teams comprising over 5,000 paddlers, compared to just 10 teams back in 1976. The carnival also further stretched the concept of dragon boat racing, from a Chinese custom and a sport, to a party activity in summer. Offering fun elements like the Celebrity Bathtub Race and the San Miguel BeerFest, the carnival allowed spectators and paddlers to enjoy the hot action in the sea, while cooling down with ice-cold beer and live music at the same time.



Highlights
Three-day carnival – almost 230,000 participants

Hong Kong International Dragon Boat Races were title-sponsored by

Official Beer of Hong Kong Dragon Boat Carnival



Mid-Autumn Festival Reinventing Tradition

Some say tradition is the enemy of innovation, but four young designers were determined to discard this notion with their entry for the HKTB’s Lantern Wonderland Design Competition 2013. To make people rethink the age-old Mid-Autumn Festival, the design quartet turned 7,000 old plastic bottles into a three-storey-high art installation to evoke environmental awareness. The end product, lit up with a matrix of LED bulbs, resembled the earth’s natural

satellite, and was thus poetically named “Rising Moon”, forming the centrepiece of “one2free Lantern Wonderland” in Victoria Park.

After the exhibition, all the plastic bottles were sent to Yan Oi Tong EcoPark Plastic Resources Recycling Centre to be turned into useful objects. In addition to creating beautiful memories for the viewers, “Rising Moon” kindled the hope that one day recycling would become a tradition in its own right to be followed and celebrated.



Highlights
*Lantern Wonderland –
560,000 people in
eight days*

Lantern Wonderland was
title-sponsored by



as simple as **one2free**



Halloween Treats
Dial H for Halloween

Hong Kong may not have a long tradition of celebrating Halloween, but the Halloween atmosphere in the city is as strong as that in many Western cities.

The two main theme parks were among the first to set up haunted houses in Hong Kong to attract visitors during this ancient Western festival. Soon other attractions and shopping malls put up their own Halloween decorations and even elaborate haunted houses to draw traffic, and now, a week or two before 31 October, it seems as if the entire city is coloured orange and black.

Restaurants also concoct spooky themed drinks and dishes, especially those in Lan Kwai Fong, where the city’s biggest Halloween street party takes place, attracting expats, locals and tourists, who are dressed up as not just as witches and vampires, but as every sort of character one can imagine.

To attract travellers to Hong Kong’s Halloween parties, the HKTB rolled out a wave of promotions in 2013, including social media campaigns, media co-ops, trade co-ops, and consumer events, including a large-scale pumpkin field in Taiwan.



© Hong Kong Disneyland



© Ocean Park Hong Kong



The image is created and owned by Madame Tussauds

Wine & Dine Festival

A Moveable Feast

The chemistry between *dim sum* and wine went largely unnoticed until the HKTB championed the pairing of wine and Chinese cuisine through the Hong Kong Wine & Dine Festival, inaugurated in 2009, following the abolition of wine duties.

Just as Hong Kong became the no. 1 wine auction city by sales in no time, the festival quickly became a notable culinary event in Asia. Relocated to Central, the American Express Hong Kong Wine & Dine Festival 2013 boasted about

300 stalls in six themed zones, showcasing an impressive medley of wines and food items for pairing. There was also a new “Tasting Room”, offering wine classes, as well as dishes created by Hong Kong’s top chefs for the prestigious Salon Culinaire Mondial 2013, in which the Hong Kong team became the champion and earned the “Culinary World Master” title.


With an expanding middle class in Asia, this glamorous festival can be expected to become even more sophisticated in the years to come to satisfy the palates of wine and food lovers in the region.



Highlights

- 140,000 patrons in four days
- 31,100 wine passes sold
- The festival kicked off Wine & Dine Month in November

Hong Kong Wine & Dine Festival and Hong Kong Wine & Dine Month were title-sponsored by




Great Outdoors

Hikes (and Bikes) & the City

Ask any expats in Hong Kong and they will tell you Hong Kong reigns supreme as a city for hiking. In fact, many visitors, especially those from the long-haul markets and Japan, travel to Hong Kong simply to enjoy its breathtaking natural scenery. This probably means the HKTB has been doing a good job with its “Great Outdoors Hong Kong” campaign, which it has organised since 2009.

Initially, the campaign focused on providing guided tours to some of the city’s popular hiking trails. In 2013, a guided cycling tour was introduced to enrich the offerings.

Though Hong Kong is known worldwide as a densely populated, skyscraper-dominated city, the largest part of it – three quarters of its land area to be precise – is covered by countryside. And the best part of this is that many of the unspoilt country parks and pristine beaches are only a short ride away from the city centre.



Highlights

- Ten guided hikes and four guided cycling tours from Nov 2013-Feb 2014
- A new guidebook on hiking and cycling trails, island walks and the Geopark for FITs



Winterfest

Wish You were Here

Christmas without a Christmas tree can still be wonderful. Just look at “Wishes on the Wind”, a Christmas hotspot set up by the HKTB at Statue Square for its Hong Kong WinterFest in 2013, with support from American Express and T Galleria by DFS. Replacing a Christmas tree were three larger-than-life dandelions and their seeds, a piece

by American artist Robert James Buchholz, which he named “WISH”, with the good intention of spreading wishes of love. The ultra-futuristic-looking installation, which had previously appeared in the popular hipsters’ music fest Coachella, in California, became an instant hit when it landed in Hong Kong. How could anyone resist three five-storey-high dandelions that changed colours in rhythm with “All I Want for Christmas is You”?



Wishes on the Wind was jointly presented by



New Year Countdown Celebrations

The New Year in High Resolution

When we turn on our telly for the New Year’s Eve countdown, we are usually unaware of why we see spectacular fireworks displays in some cities and not others. In fact, behind the fireworks is a PR war, in which city authorities and tourism bureaux fight for the attention of TV news producers, who choose the cities to highlight based on how stunning and representative their countdown shows are.

For Hong Kong, then, it was a major PR victory in 2013, as the HKTb-curated “New Year • New World – Hong Kong Countdown Celebrations” event was covered by over 650 TV channels, including the BBC, CNN and CCTV, placing Hong Kong among the ranks of the signature Sydney Harbour countdown and New York’s Times Square ball drop. And no wonder! Hong Kong’s iconic skyline became more dazzling than ever in the biggest countdown show Hong Kong had ever witnessed – a spectacle combining a huge amount of pyrotechnics, fireworks, music, and of course, screams of appreciation from massive crowds on both sides of Victoria Harbour.



Highlights
Over 380,000 onsite spectators

The Hong Kong Countdown Celebrations event was title-sponsored by
新世界發展有限公司
New World Development Company Limited



Chinese New Year Celebrations

The Biggest & the Best

There are Chinese New Year celebrations all over the world, but *Forbes* picked Hong Kong's as one of the 10 best events in 2011, alongside Munich's Oktoberfest and Rio's Carnival.

The choice wasn't surprising because Hong Kong's annual Chinese New Year celebrations are probably the biggest and the most fanciful anywhere in the world. A few days before the festival, traditional flower markets spring up in different districts, and when the New Year finally arrives, the city

celebrates it with a large-scale fireworks display, a special horseracing event, and the Cathay Pacific International Chinese New Year Night Parade by the HKTB, which turns Tsim Sha Tsui into one big party area.

After a whirlwind of festive activities within just a few days, visitors still have time to enjoy other equally splendid Hong Kong features, like a potpourri of world-class cuisines and shopping – and *that* is the best thing about spending Chinese New Year in Hong Kong.



Highlights

- The 2014 parade – 13 floats, 21 performing troupes, 3,000 performers
- 150,000 spectators, over half of whom were visitors

International Chinese New Year Night Parade was title-sponsored by



CATHAY PACIFIC
國泰航空公司



Other Events

City of Action

Rugby fans who could not get Hong Kong Sevens tickets, which are sold out at lightning speed each year, were happy when the Hong Kong Rugby Football Union and the HKTB announced HK Fan Zone, an auxiliary area for Sevens fans to enjoy the games. Erected at the New Central Harbourfront, the fan zone provided live broadcasts of the matches on a big screen. While things can get a little wild at Hong Kong Stadium, where the games are played, HK Fan Zone was more family-friendly, with a game area and training sessions by rugby stars for kids, and music performances for everyone.

In addition to the wildly popular Hong Kong Sevens in March, the HKTB supports numerous events each year, particularly those with tourism value, and helps promote them through its official website, social media platforms and other channels. These events include the Hong Kong Marathon, the Hong Kong International Races, the Hong Kong Arts Festival, Art Basel Hong Kong, and the Hong Kong International Film Festival.



Highlights
 HK Fan Zone – 50,000 fans
 in six days

HK Fan Zone was organised by




Quality Service

Kudos for Good Service

However much tourism bureaux across the world try to improve service standards, it depends on the effort of every provider of tourism services in every related industry – hotels, restaurants, retailers, local tour companies, transportation providers, among others – to make travellers feel well treated in a destination.

The HKTB, therefore, has taken the initiative in helping the tourism trade improve their services. Under the Quality Tourism Services Scheme, the HKTB maintains an extensive network of tourism service providers, including retail shops, restaurants and visitor accommodations, who pledge to offer

high-quality service. To give them an extra incentive to keep up their good work, the HKTB set up an award programme in 2011 to recognise and generate publicity for merchants accredited by the scheme, and in 2013, a new award for frontline staff was introduced.

Meanwhile, in November 2013, the HKTB extended its reach to visitors by setting up a concierge hotline to help hotel and shopping mall concierges answer visitors' questions. With minimum extra resources, this hotline effectively expanded the organisation's coverage of visitor touch points from its own visitor centres and hotline and email services, to hotels and major shopping malls across the city.



Highlights

In 2013/14:

- QTS Scheme: 8,377 retail and dining outlets, 775 rooms for visitor lodging
- Visitor centres: served 1.6 million visitors
- Visitor hotline: answered 16,000 enquiries

Since its launch in November 2013, the concierge hotline service has been used by over 70 hotels and shopping malls as at August 2014.



The HKTB introduced the concierge hotline to Langham Place staff



Cruise Experience

A Sea of Opportunities

Anyone who thinks cruise holidays are only for retirees with money to burn and families with toddlers should think again, as cruise lines revamp their ships to make the cruise experience sexier for fun-loving travellers and expand their itinerary menus with fewer-day trips to fit the schedule of those with less vacation time to spare. And cruise lines are not only making a move to adapt to shifting cruise-passenger demographics; they are setting their sights on Asian vacationers, as Asia’s cruise tourism grows at the steadfast rate of 8-9% each year, according to the Cruise Lines International Association.

With these factors in the background, the timing of the Kai Tak Cruise Terminal’s opening – its first berth began operation in June 2013 – was fortuitous for both cruise travellers and for Hong Kong’s tourism industry. Built in the prime location of the former Kai Tak Airport runway and able to accommodate vessels of up to 220,000 gross tonnage, Kai Tak makes a landmark in Asia’s cruise seascape.

Riding on this new infrastructure, the HKTb has pioneered co-operation among popular ports in Asia to highlight Hong Kong’s active role in regional cruise development. In 2013,

it signed an agreement with the Taiwan Tourism Bureau to bring two homeport calls by Royal Caribbean International to Hong Kong. It then advanced Hong Kong-Taiwan co-operation further by launching the Asia Cruise Fund, which offers eligible cruise lines subsidies for marketing and developing products featuring Hong Kong and Taiwan, at Cruise Shipping Miami in March 2014. More ports, including Hainan, Okinawa, Kagoshima, and the Philippines, have been invited to join the strategic alliance to give cruise lines greater confidence in investing in East Asia.

On the consumer front, the HKTb intensified its promotion of Hong Kong as a worthwhile cruise destination by co-organising the inaugural Cruise Holiday Expo, launching regional consumer-marketing campaigns, and giving cruise travel prominent exposure at the annual International Travel Expo in Hong Kong and consumer fairs overseas.

Now that there are more cruise packages featuring Hong Kong on offer, travellers can easily enjoy the city by cruise. In addition to exploring Hong Kong’s exciting offerings onshore, cruise passengers have the one-of-a-kind experience of sailing into the city’s high-rise surrounded Victoria Harbour.





Trade Partnership

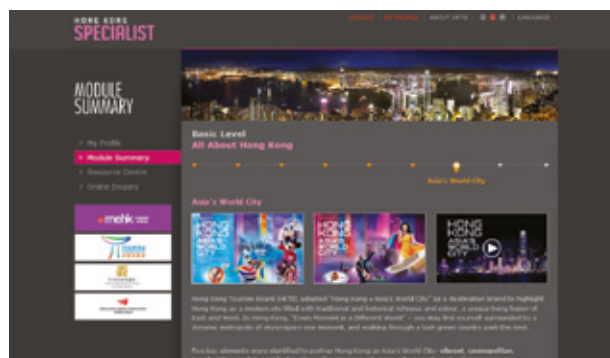
See and Feel Hong Kong by Theme

While the Peak, Stanley and other signature attractions are worth visiting again and again, Hong Kong is laden with hidden treasures – from physical monuments to cultural experiences – that are also worth discovering.

To encourage visitors to explore the nooks and crannies of the city and dig deeper into its local culture, the HKTB, with support from its trade partners, launched the New Tour Product Development Scheme at the end of 2012. Developing a brand-new product entails risks, so by subsidising the development and marketing of new tours, the scheme gives tour operators more confidence in turning their innovative ideas into reality.

In 2013/14, the scheme saw the birth of 12 experience-based tours, under a variety of themes, including food & wine, arts & culture, heritage, and multi-destination. Among the tours were the bestselling Sham Shui Po Foodie Tour, a food and cultural adventure in a fascinating working-class neighbourhood, and the Wing Chun Kung Fu Experience Tour, which is favoured by martial arts fans who want to learn kung fu moves from a real master.

For the latest list of “Explore Hong Kong Tours”, please refer to DiscoverHongKong.com.



Highlights

Trade support in 2013/14:

- Organised 41 trade familiarisation tours, led four major travel missions, and facilitated the local trade's participation in nine international trade shows.
- Upgraded PartnerNet with 13 customised market versions in eight languages to facilitate business-building activities between the local and international travel trade, and introduced a special online training programme, called Hong Kong Specialist, to equip frontline staff in the local and overseas travel trade with essential knowledge of Hong Kong.

MICE Business

Fostering Partnership

In the MICE business, the events of the future are the fruits of today's effort. In 2013/14, the HKTB's Meetings and Exhibitions Hong Kong (MEHK) office actively strengthened ties with some of the world's most established associations, through which we promote Hong Kong as an ideal destination for MICE events to their huge networks of members – our potential MICE clients. In particular, we organised study missions and entered into strategic partnerships with the following associations in three of Hong Kong's key MICE markets, namely the US, Europe and Mainland China:

- The American Society of Association Executives (ASAE)
 - The ASAE represents over 21,000 association executives and industry partners from 10,000 organisations.
 - The partnership with ASAE generated 24 leads, with six events materialising as at the end of March 2014.
 - The ASAE delegation was so impressed with Hong Kong that they chose it as the host city of their own event, the ASAE Asia Pacific Great Ideas Conference 2015.
- The International Association of Professional Congress Organizers (IAPCO)
 - The IAPCO has 114 members in 40 countries.
 - It offers the MEHK the opportunity to showcase Hong Kong at its events in Switzerland, Lisbon and other European cities.
- The Chinese Medical Association (CMA)
 - The CMA has 83 affiliated associations and over 500,000 individual members.
 - The partnership helped generate three events for Hong Kong as at the end of March 2014.

Promoting Lantau Island

Aligning with the Government's plan to develop Lantau into a transportation and tourism hub and leveraging large-scale infrastructural projects like the Hong Kong-Zhuhai-Macao Bridge and the Tuen Mun-Chek Lap Kok Link, the MEHK continued to promote Lantau Island as a MICE hub to event organisers. The incentive event BlackBerry Jam Asia 2013 demonstrated the total solution Lantau offers – modern meeting venues with excellent Wi-Fi connectivity to facilitate technology-based events, quality accommodations, unique cultural experiences, diverse entertainment and amazing natural attractions.

Highlights

2013 MICE arrivals:

- 1.6+ million, up 1.8% year on year

Major events held in 2013/14:

- *Watches&Wonders First Asia Haute Horlogerie Exhibition – the success of the first event led to the Switzerland-based Fondation de la Haute Horlogerie's choosing Hong Kong again for the 2014 event*
- *World Congress of Nephrology 2013*
- *SIGGRAPH Asia 2013*

Major wins in 2013/14:

- *The 25th International Nursing Research Congress (900pax)*
- *6th World Glaucoma Congress (4,000pax)*
- *TESOL 2015 International Convention & English Language Expo (750pax)*
- *The 2015-17 editions of the World Business Forum Hong Kong (3,000pax per annum for 3 consecutive years)*
- *22nd International Symposium on Electronic Art (800pax)*
- *The 2016 Million Dollar Round Table Experience (6,000pax)*



Hong Kong & Beyond

One Trip, Wonders of Multiple Cities

Hong Kong is also a portal for travellers to explore the Mainland and the rest of Asia, thanks to its great location and efficient transportation network. In a few years' time, Hong Kong-Mainland traffic will be further enhanced with the opening of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge.

Such a superb location and infrastructure mean not only thriving inbound tourism for Hong Kong, but also myriad co-operative opportunities between the city and its neighbours to drive visitor traffic to the region for everyone's benefit. The HKTB's work on "multi-destination" in 2013/14 included:

- Initiating familiarisation visits jointly funded by Guangdong, Macau and Hong Kong for Southeast Asian media and members of the Indian travel trade;
- Staging trade and consumer promotions with the Macau Government Tourist Office (MGTO) in both mature markets and new markets, like Russia and India;
- Organising road shows in Thailand and Indonesia with the Shenzhen Municipal Bureau of Culture, Sports and Tourism;
- Joining with Yunnan and a major tour operator to organise road shows in the UK, and arranged a familiarisation tour to Hong Kong and Yunnan for the UK travel trade, as part of a three-year co-operation plan made in 2012; and
- Collaborating with the Chengdu Culture and Tourism Group and the MGTO on a US search engine marketing promotion to boost package sales to Hong Kong, Macau and Chengdu.



Highlights
In promoting multi-destination travel, the HKTB highlighted the advantages offered by the 144-hour Convenient Visa to Guangdong Province.



TOURISM & THE COMMUNITY

Since tourism is closely related to the community, the Hong Kong Tourism Board actively supports tourism-related initiatives and invites members of the public to extend Hong Kong's hospitality to visitors.





Hong Kong Pals Programme



Life is a journey, and we want Hong Kong to be one of the most memorable stops on our visitors' lifelong journey. Whether they stay only briefly or keep coming back, our Hong Kong Pals – enthusiastic volunteers serving visitors at our Visitor Centres – are here to help make every traveller's stay in Hong Kong one they will never forget.

Let us share with you a few stories about the fleeting, but sometimes unforgettable encounters between our Hong Kong Pals and guests.

Highlights

In 2013/14, our 58 Hong Kong Pals worked nearly 5,000 hours, serving over 55,000 visitors.

Story 1 – A meaningful transit

While travellers are in transit in Hong Kong, they usually take the opportunity to see a few signature attractions or do some shopping. But one Indian family our Hong Kong Pal KT met at the airport was interested only in visiting two universities during the few hours they were here. His curiosity stirred, KT enquired about the reason and found out the father had especially arranged for his family to fly via Hong Kong so that his daughter could look at the two universities here which had offered her a place, before they flew to the US, where three other universities had also accepted her.

After giving them transportation and other relevant information, KT told the young lady she must not forget what her father was doing for her. With a gentle smile, she replied, "Never!"



Story 2 – Leaving to return

An interesting conversation is like the morning coffee. It refreshes us and keeps us going. A couple from the UK had such a good conversation with our Hong Kong Pal Agnes that they would rather go hungry than end it.

When they first went into our Visitor Centre, they told Agnes they had only three minutes to spare. They ended up staying for 30 minutes, before telling her they still had not had lunch – and it was already 4pm. They excused themselves for a quick bite, and returned to thank Agnes for making them realise Hong Kong had so much to offer. While they could not extend their stay because they had a wedding to attend in Bali, they said they had started to make plans for their next trip to Hong Kong. And in Agnes' own words, "I have a strong feeling they will come again soon."

Story 3 – Destined to meet again

A Chinese adage goes, "If two people are destined to be friends, wherever they come from, they will be friends." Here is a story about our Hong Kong Pals becoming friends with a visitor.

One day, Eric, a French backpacker, stopped at our Visitor Centre to ask where he could see a free Chinese opera performance. Our Hong Kong Pal Angel directed him to Peng Chau, where another Hong Kong Pal, Patrick, lived. Two days later, Angel and five other Hong Kong Pals visited Patrick on the island, and there they ran into Eric, who was supposed to have left the island, but decided to stay a little longer to process some photos after being offered a room. In the end, the eight of them had a seafood dinner together, during which Eric played music on his self-made musical instruments and learned some Cantonese.

Other Community Initiatives

Below are some of the tourism-related initiatives by other organisations we supported in 2013/14:



26 April 2013

Immigration Control Officer appointed as Hong Kong Courtesy Ambassador

The HKTB has been a keen supporter of “The Most Courteous Immigration Control Officer Election”, organised by the Immigration Department to commend Immigration Control Officers offering visitors quality services. The winner was appointed Hong Kong Courtesy Ambassador by the HKTB.

2 May 2013

HKTB supports OpenRice Best Restaurant Awards 2013

Ms Daisy Lui, HKTB Deputy Executive Director, presented the “Best Service Restaurant Awards” in the “OpenRice Best Restaurant Awards 2013”. The award programme, rolled out by online restaurant guide OpenRice, aimed at recognising local restaurants offering excellent products and services.



19 June 2013

HKTB Deputy Executive Director attends Next Magazine Top Service Awards 2013 ceremony

The HKTB’s Deputy Executive Director, Ms Daisy Lui, showed support for *Next Magazine’s* effort in promoting service excellence in the city by being an award-presenting guest at the “Next Magazine Top Service Awards 2013” ceremony.



19 August 2013

HKTB Chairman officiates at the Hong Kong Young Ambassadors Appointment Ceremony

In support of the Hong Kong Young Ambassador Scheme, jointly organised by the Tourism Commission and the Hong Kong Federation of Youth Groups to nurture young people to be ambassadors for Hong Kong, HKTB Chairman Dr Peter Lam officiated at the scheme’s appointment ceremony to witness the crowning of some 200 youngsters.

27 September 2013

HKTB shows support for local shopping malls

The HKTB’s General Manager of Corporate Affairs, Ms Cynthia Leung, officiated at the “Experiential Marketing Excellence Awards for Hong Kong Shopping Malls 2013” award presentation ceremony, organised by *Metro Finance*, and presented certificates to finalists.



4 November 2013

Introducing HKTB’s MICE business to IVE students

The HKTB’s General Manager of MICE & Cruise, Mr Kenneth Wong, explained the HKTB’s role in promoting MICE tourism to students of the Contemporary Issues in Business Promotion and Event Management programme organised by the Hong Kong Institute of Vocational Education’s Tsing Yi School.



22 November 2013

Celebrating Hong Kong International Airport's induction into the TTG Travel Hall of Fame

When Hong Kong International Airport (HKIA) won Travel Hall of Fame's "Best Airport Award" for the 10th time and was thus inducted into the TTG Travel Hall of Fame, HKTB Chairman Dr Peter Lam joined other guests to celebrate the airport's incredible achievement and 15th anniversary.

24 November 2013

HKTB joins in celebration of first-ever Hong Kong Milk Tea Day

Hong Kong-style milk tea is a much-loved drink in Hong Kong. To celebrate the inclusion of milk tea making technique in the list of Hong Kong's intangible cultural heritage, Mr Anthony Lau, the HKTB's Executive Director, attended the first Hong Kong Milk Tea Day, which also featured a competition among milk tea masters.



13 January 2014

HKTB supports Best Travel Agency Award

Representing the HKTB, Mr Man Lee, the organisation's General Manager of Finance, presented certificates to winners of the "Best Travel Agency Award", organised by *Weekend Weekly*.





21 January 2014

HKTB supports Shopping Mall Awards

HKTB Chairman Dr Peter Lam was invited to act as a guest of honour at the “Shopping Mall Awards 2013/2014” presentation ceremony, organised by *Hong Kong Economic Times* to commend outstanding local shopping malls.

19 March 2014

Future tourism leaders invited to Hong Kong Tourism Overview

Tourism students from various tertiary institutions were invited to the HKTB’s Hong Kong Tourism Overview on 19 March 2014, where they gained insights into Hong Kong’s tourism development and the HKTB’s marketing strategies for 2014-2015.



20 March 2014

HKTB supports Sing Tao Service Awards

Ms Daisy Lui, Deputy Executive Director of the HKTB, delivered a speech and presented awards at the prize presentation ceremony of the “Sing Tao Service Awards 2013”, which recognised brands offering exceptional services.

AWARDS & ACHIEVEMENTS

The Hong Kong Tourism Board strives to be the most creative and effective tourism organisation in the world. Here is a list of international awards that recognised the organisation's work in 2013/14.





Destination – Hong Kong

- Best Business City in Northeast Asia, Business Traveller Asia-Pacific Awards 2013, *Business Traveller Asia-Pacific* magazine
- Best Business City in the World, Business Traveller Asia-Pacific Awards 2013, *Business Traveller Asia-Pacific* magazine
- Best City for Business Events, CEI Industry Survey 2014, *CEI Asia* magazine
- Best City of MICE Travel, China MICE Golden Chair Awards 2013, *MICE Travel* magazine
- Best Promotion Destination, Tourism Awards 2013, *Shanghai Morning Post*
- Favourite Business City in the World, Business Traveller China Awards 2013, *Business Traveller China* magazine
- Top 2 of Best Gourmet Destination/Top 3 of Best Overseas Tourism City/Top 3 of Best Family Fun Destination/Top 6 of Best Couple Tourist Destination/Top 8 of Best 80's Favourite Destination/Top 10 of Best Students' Favourite Destination, Ctrip Best Tourist Destination of the Year Award Ceremony 2013
- Winner of "Two Hours to Spare on a Business Trip", Amadeus & WTM Travel Experience Awards 2013

Hong Kong Tourism Board

(1) Organisation

HKTB

- Best Convention Bureau, CEI Industry Survey 2014, *CEI Asia* magazine
- Top 10 Most Influential Enterprises on Weibo (Hong Kong), Star of Sina Weibo 2013

Frankfurt Office

- Bronze Award, Best Tourist Office in Asia, Go Asia Awards 2014

Seoul Office

- Best National Tourism Office, *Korea Travel News*

(2) Marketing & PR Initiatives

“Be My Guest” Campaign

- Best Travel Social Media Campaign, Internet Advertising Competition Awards 2014

DiscoverHongKong.com Website

- Best in Class Award, Interactive Media Awards 2013
- Gold Award, General Website Categories – Tourism, WebAward 2013
- Gold Award, General Website Categories – Tourism, W³ Awards 2013
- Silver Award, Web Accessibility Recognition Scheme 2012-13
- Silver Award, Website Features – Structure and Navigation, WebAward 2013
- Silver Award, Website Features – Structure and Navigation, W³ Awards 2013
- Bronze Award in “Websites Re-Launch” category, Galaxy Awards 2013
- Outstanding Website Award, WebAward 2013

Discover Hong Kong Facebook Fan Page

- Winner in “Marketing Media – Social Media” category, PATA Gold Awards 2013
- Gold Award in “Self-Promotion” category, Astrid Awards 2014

“Discover Hong Kong • AR Walks” Mobile App

- Silver Award, Excellence in Mobile Marketing, Marketing Excellence Awards 2013
- Bronze Award, Best Lifestyle (Green, Healthy & Creative Living) Award, Hong Kong ICT Awards 2013

“Discover Hong Kong • Island Walks” Mobile App

- Gold Award, Best App – Community/Government, Mob-Ex Awards 2013
- Honors Award in “Special Projects: iPhone Application” category, Astrid Awards 2013

“Discover Hong Kong • Travel Pack” Mobile App

- Gold Award, Best Campaign of Tablet, Mob-Ex Awards 2013
- Silver Award, Best App – Community/Government, Mob-Ex Awards 2013
- Bronze Award in “Emerging Media/iPad App” category, Galaxy Awards 2013

HKTB Annual Report 2012/13

- Certificate of Excellence, Corporate Publications, PRWeek Awards Asia 2014
- Honors Award, Government Supported Tourism, Interactive Annual Report, International ARC Awards 2014

HKTB Weibo Page

- Top 10 Popular Official Weibo of Outbound Tourism, Golden Track 2013, Sina Weibo

HKTB’s Year of the Snake Calendar 2013

- Silver Award in “Promotion: Calendar” category, Galaxy Awards 2013
- Bronze Award in “Calendars: Tourism” category, Astrid Awards 2013

“Hold My Hand in Hong Kong” Campaign

- Grand Award of Excellence, 2nd Hong Kong Public Relations Awards (2014)
- Most Creative Campaign Award, 2nd Hong Kong Public Relations Awards (2014)
- Gold Award in “Integrated Marketing Communications” category, 2nd Hong Kong Public Relations Awards (2014)
- Winner in “Marketing – Primary Government Destination” category, PATA Gold Awards 2014
- Silver Award in “Campaigns” category, Astrid Awards 2014
- Bronze Award in “DVDs/Video: Travel/Tourism” category, Mercury Awards 2013/2014
- Certificate of Excellence, South Asia PR Campaign of the Year, PRWeek Awards Asia 2014

Hong Kong Chinese New Year 2014 Parade Floats

- Bronze Award in “Special Project: Parade Floats” category, Astrid Awards 2014

Hong Kong Halloween Treats Digital Campaign 2013

- Bronze Award, Mobile Marketing, Golden Mouse Digital Marketing Competition 2014

“Hong Kong Summer Showreels” Campaign

- Silver Award in “Promotion” category, Astrid Awards 2013

“Hong Kong Winterfest 2013” Campaign

- Bronze Award in “Promotion: Viral Campaign” category, Astrid Awards 2014

PartnerNet Website

- Silver Award in “Websites: Redesign/Relaunch” category, Astrid Awards 2013
- Honors Award in “Websites: Re-Launch” category, Galaxy Awards 2013

“Purchase Process Intercept” Campaign

- Silver Award in “Destination Marketing – Web Marketing/Advertising” category, Travel Weekly Magellan Awards 2013
- Bronze Award, HSMIA (Hospitality Sales & Marketing Association International) Adrian Awards 2013

“Taste of Hong Kong” Campaign

- Gold Stevie Winner, Marketing Campaign of the Year – Travel/Tourism/Destination, The International Business Awards 2014
- Bronze Stevie Winner, Brand Experience of the Year – Consumer, The International Business Awards 2014

“Travel/Travel 2” Campaign

- Silver Award in “Destination Marketing – Advertising/Marketing Campaign” category, Travel Weekly Magellan Awards 2013

Visa go Hong Kong Super Shopper 2013

- Winner in “Marketing Media – Public Relations Campaign” category, PATA Gold Awards 2014
- Silver Award in “Special Events” category, Mercury Awards 2013/2014
- Certificate of Excellence, Asia-Pacific PR Campaign of the Year, PRWeek Awards Asia 2014

“World Class Experiential Marketing/Hong Kong Live at The Grove” Campaign

- Gold Award in “Destination Marketing – Advertising/Marketing Campaign” category, Travel Weekly Magellan Awards 2013
- Silver Award, HSMIA (Hospitality Sales & Marketing Association International) Adrian Awards 2013

(3) MICE Promotions

- The Best Organisation Award, China (Guangdong) International Tourism Industry Expo 2013
- The Best Booth Decoration Award, China (Guangdong) International Tourism Industry Expo 2013
- The Most Outstanding Booth Design Award, Beijing International Tourism Expo 2013

(4) Visitor Services

Hong Kong International Airport Customer Service Excellence Programme 2013 / 14

- Individual Award: Joyce Lam, Koey Hsu
- Corporate Excellence Award: Mary Luk, Mavis Lin

Asia Pacific Customer Service Consortium Customer Relationship Excellent (CRE) Awards 2013

- Customer Service Professional of the Year (Service Centre): Koey Hsu

Hong Kong International Airport Best Smiling Customer Service Trophy Award

- Winner: Arthur Ho

CORPORATE
INFORMATION





Corporate Governance

As a government-subsidized body, the HKTB is determined to implement high standards of corporate governance practices and enhance the transparency of its operational and financial matters. During the year, the HKTB strictly observed applicable regulations and procedures, and maintained a high level of integrity in its operations.

Structure and Management

The Board

The Board of the HKTB comprises 20 Members, representing a broad cross-section of the tourism and other industries. Members of the Board are appointed by the Chief Executive of the Hong Kong Special Administrative Region. They are broadly based and include, amongst others, passenger carriers, hotel operators, licensed travel agents, tour operators, retailers and restaurant operators.

The Board is the governing body of the HKTB, and is given the authority to exercise the general powers conferred under the Hong Kong Tourism Board Ordinance. The Board is also empowered to appoint committees to oversee various aspects of the HKTB's operations and provide advice to the Board on corporate governance matters arising from the Committee's work. The various committees are described in the following paragraphs.

Marketing and Business Development Committee (MBDC)

This committee provides strategic input and advice to the Board on its marketing direction and business development, reviews the draft annual business plan, and provides advice on new marketing directions and opportunities, global developments affecting tourism in Hong Kong, and strategies for enhancing the Board's external communications and industry relations. The committee meets on a quarterly basis, and extraordinary meetings can be convened if necessary. It comprises a chairman and seven Members from the Board, with the Director, Strategic Planning & Research acting as Committee Secretary.

Product and Event Committee (PEC)

This committee provides strategic direction and input on the development of product and event strategy, and evaluates the contribution of any initiatives to the HKTB's overall marketing direction set by the Marketing and Business Development Committee. It reviews and approves the Product and Event Strategy Plan by providing comments and recommendations on new product initiatives and infrastructure development. It also approves the concepts and implementation of Mega Events. The committee meets quarterly, and extraordinary meetings can be convened if necessary. It comprises a chairman and seven Members from the Board, with the General Manager, Event & Product Development acting as Committee Secretary.

Staff and Finance Committee (SFC)

The committee reviews and endorses financial matters, including financial policies, management control, audited annual accounts, and matters involving long-term financial commitment by the HKTB such as office lease. It also reviews and endorses manpower planning, human resources policies, terms and conditions of employment, the creation and deletion of senior managerial positions, and the promotion of senior executives. The committee meets every four months, and extraordinary meetings can be convened if necessary. It comprises a chairman and five Members from the Board with the General Manager, Human Resources & Administration acting as Committee Secretary.

Audit Committee (AC)

This committee provides advice to the Board on the adequacy of internal controls and the effectiveness and efficiency of the HKTB's operations, and is authorised to investigate any activities within its terms of reference. It reviews and endorses the annual audit plan to ensure adequate audit coverage of critical operations, reviews findings, recommendations and the implementation of actions arising from internal audit and other relevant authorities. It also reviews the annual audited financial statements before submission to the Board. The committee meets three times a year, and extraordinary meetings can be convened if necessary. It comprises a chairman and five Members from the Board, with the Director, Internal Audit acting as Committee Secretary.

Quality Tourism Services Committee (QTSC)

This committee acts as the governing body of the Quality Tourism Services Scheme (QTS Scheme) and provides strategic input and advice to the Board on the development of the QTS Scheme. It also approves the assessment criteria, scheme rules, complaint handling policy and pricing policy of the QTS Scheme. The committee meets twice a year, and extraordinary meetings can be convened if necessary. It comprises a chairman, six Members from the Board and four industry members, with the General Manager, Business Development acting as Committee Secretary.

Board Members' Meeting Attendance

For the year ended 31 March 2014

Board Members	Board Meeting	Marketing & Business Development Committee	Product & Event Committee	Staff & Finance Committee	Audit Committee	Quality Tourism Services Committee
Dr Peter Lam (Chairman)	6/6					2/2 [^]
Mr Philip Yung (Deputy Chairman)	6/6	6/6	6/6	3/3	3/3	2/2
Ms Shirley Chan (i)	1/3		3/4			1/1
Dr Michael Chan (i)	3/3	1/3				1/1
Mr Larry Kwok (i)	3/3			1/1 [^]		1/1
Mr Stanley Hui (i)	2/3			1/1		
Ms Poman Lo	2/6		2/6			1/2
The Hon Sin Chung-kai	5/6			3/3	3/3	
Ms Florence Chan	5/6				3/3 [^]	
Ms Chitty Cheung	5/6	5/6 [^]				
Ms Winnie Ng	6/6	5/6			2/3	
Mr Benjamin Chau	6/6	3/6		1/2		
Mr Michael Wu	5/6	6/6				2/2
Ms Linda Yuen	5/6	3/6	2/6			
Mr William Mackay	4/6			3/3 ^{#^}		
Sir Wayne Leung	6/6		6/6 [^]			
Mr Perry Mak	6/6	6/6		3/3		
Ms Yip Wing-sie	3/6		6/6			
Mr T C Chan	6/6				2/3	
Ms Nansun Shi	3/6		6/6			
Mr Winston Chow (ii)	2/3		2/2			1/1
Mr Barry D. Nassberg (ii)	2/3	2/3			1/2	
Mr Paulo Pong (ii)	3/3		2/2			1/1
Ms Winnie Tam (ii)	2/3			2/2		1/1

(i) Appointment until 31 October 2013.

(ii) Appointment effective from 1 November 2013.

Appointed as Chairman of Staff & Finance Committee effective from 11 November 2013.

[^] Committee Chairman (as at 31 March 2014).

Internal Control and Compliance

One of the Board's responsibilities is to ensure that satisfactory systems and procedures of internal control are in place. These procedures are to provide reasonable assurance that management policies are adhered to, assets are safeguarded, operations are efficient and effective, misconduct and errors are prevented or detected, accurate and complete accounting records are compiled, and financial information is prepared in a timely manner. An exception reporting mechanism is in place through which cases of significant violation of internal rules and respective follow up actions are reported to the Board or its relevant committees. The compliance with legislations relevant to the HKTB is regularly reviewed by the internal Legal Counsel.

The Internal Audit Department has an independent role to evaluate the adequacy and effectiveness of the internal control. It formulates an audit plan yearly, covering the financial, operational and compliance control of functional units and worldwide offices. The Department has unrestricted access to information and personnel to perform its duties under the Internal Audit Charter. The Director, Internal Audit reports to the Executive Director and has direct access to the Audit Committee and its chairman, thereby ensuring his/her independence.

Apart from internal audit, the HKTB also engages an external auditor to perform statutory audit. The Audit Committee meets, at least once a year, with the external auditor without the presence of the HKTB Management, and discusses the nature and scope of the statutory audit before the audit commences.

Management

Under the current organisation structure, the HKTB's activities are conducted through the following divisions:

- Business Development Division
- Corporate Affairs Division
- Corporate Services Division
- Event and Product Development Division
- Human Resources & Administration Division
- Marketing Division
- MICE & Cruise Division
- Strategic Planning & Insights Division
- Worldwide Offices

Other Information

About the HKTB

The Hong Kong Tourist Association (HKTA), a Government-subsidised statutory body established in 1957, was reconstituted as the Hong Kong Tourism Board (HKTB) on 1 April 2001. Unlike the former HKTA, which was an association of members, the HKTB is a statutory body established under the Hong Kong Tourism Board Ordinance (Cap 302) and has no affiliation to any specific sector or organisation within the industry and is able to support the interests of Hong Kong's tourism in its entirety.

Primary Responsibilities & Missions

The primary responsibilities of the HKTB are to market and promote Hong Kong as a destination worldwide, as well as to take initiatives to enhance visitors' experiences upon their arrival. These include making recommendations to the Government and other relevant bodies on the range and quality of visitor facilities.

The HKTB's missions are to maximise the social and economic contribution made by tourism to the community of Hong Kong, and to consolidate Hong Kong's position as a unique, world-class and most desired destination.

Objectives

The six objectives of the HKTB, as defined under the Hong Kong Tourism Board Ordinance, are:

- to endeavour to increase the contribution of tourism to Hong Kong;
- to promote Hong Kong globally as a leading international city in Asia and a world-class tourist destination;
- to promote the improvement of facilities for visitors;
- to support the Government in promoting to the community the importance of tourism;
- to support, as appropriate, the activities of persons providing services for visitors to Hong Kong;
- to make recommendations to and advise the Chief Executive in relation to any measures which may be taken to further any of the foregoing matters.

Human Resources

At 31 March 2014, the total HKTB headcount numbered 362, of whom 128 were stationed outside Hong Kong. The HKTB expects a high level of integrity from its employees, and acquaints its staff with code of conduct guidelines and procedures through training sessions and briefings. The Employees' Handbook also provides full and specific guidance on employee behaviour.

Advisory Role and Industry Functions

The HKTB works closely with the tourism-related sectors and relevant Government departments through its representation in the following strategy groups and forums:

- Advisory Committee on Cruise Industry
- Advisory Committee on Hotel and Tourism Management, The Chinese University of Hong Kong
- Advisory Committee on School of Hotel & Tourism Management, The Hong Kong Polytechnic University
- Advisory Committee on Travel Agents
- Asian Association of Convention and Visitor Bureaus
- Aviation Development Advisory Committee
- Committee, Hong Kong General Chamber of Commerce
- Committee on Shopping-Related Practices, Travel Industry Council of Hong Kong
- Consultative Committee on Economic and Trade Co-operation between Hong Kong and the Mainland
- Executive Committee, Hong Kong Arts Festival Society
- Executive Committee, Hong Kong Association of Travel Agents
- Executive Committee, Hong Kong Exhibition & Convention Industry Association
- The Hong Kong Association of Registered Tour Co-ordinators
- Hong Kong Brand Development Council
- Hong Kong – Taiwan Economic and Cultural Cooperation and Promotion Council
- Hong Kong Trade Development Council
- Hotel, Catering and Tourism Training Board, Vocational Training Council
- Inbound Committee, Travel Industry Council of Hong Kong
- Lantau Development Advisory Committee
- Mainland China Inbound Tour Affairs Committee, Travel Industry Council of Hong Kong
- Task Force on External Lighting
- The Steering Committee on MICE
- Tourism Strategy Group
- Working Group on Convention and Exhibition Industries and Tourism under Economic Development Commission

In addition, the HKTB contributes to the tourism and related industries by partnering with the following organisations:

- Guangdong, Hong Kong & Macau Tourism Marketing Organisation
- Pacific Asia Travel Association (PATA)
- World Tourism Organisation (UNWTO)

WORLDWIDE
OFFICES &
REPRESENTATIVES





Head Office

Hong Kong

Worldwide Offices

Beijing, Shanghai, Guangzhou, Chengdu, Tokyo, Osaka, Seoul, Singapore, Taipei, Sydney, London, Paris, Frankfurt, Los Angeles, New York, Toronto

Representative Offices (for travel trade/media/ consumer enquires only)

New Delhi, Bangkok, Jakarta, Manila, Moscow, Dubai

For the address and contact methods of each of the worldwide offices and representatives, please visit www.discoverhongkong.com.

INDEPENDENT
AUDITOR'S
REPORT





Independent Auditor's Report

Independent auditor's report to the Hong Kong Tourism Board

(Established under the Hong Kong Tourist Association Ordinance and reconstituted under the Hong Kong Tourist Association (Amendment) Ordinance 2001 and the Hong Kong Tourism Board Ordinance)

We have audited the consolidated financial statements of the Hong Kong Tourism Board (the "Board") and its subsidiary (together "the Group") set out on pages 85 to 119, which comprise the consolidated and the Board statements of financial position as at 31 March 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in reserves and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board members' responsibility for the consolidated financial statements

The members of the Board are responsible for the preparation of consolidated financial statements that give 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 members of the Board determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation of the consolidated financial statements that give 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 Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board members, as well as evaluating the overall presentation of the consolidated financial statements.

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 consolidated financial statements give a true and fair view of the state of affairs of the Board and of the Group as at 31 March 2014 and of the Group's deficit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
29 July 2014

Consolidated Income Statement

for the year ended 31 March 2014 (Expressed in Hong Kong dollars)

	Note	2014	2013 (Restated)
General Fund			
Principal source of income	3		
Government subvention for the year		609,901,289	605,483,420
Other revenue			
Interest income		1,025,795	1,295,477
Realisation of deferred income – office premises	12	10,000,000	10,000,000
Sponsorships		23,165,119	22,794,344
Promotion and advertising income		16,442,763	15,890,126
Sundry income		19,420,878	22,356,222
		70,054,555	72,336,169
Other net income			
Gain on disposal of fixed assets		121,180	54,701
Total income		680,077,024	677,874,290
Promotional, advertising and literature expenses		296,324,623	311,576,864
Research and product development		14,660,347	14,603,002
Local services and events		101,218,461	92,959,795
Staff costs	5	221,473,054	198,472,120
Rent, rates and management fees		16,677,981	15,413,726
Depreciation	7(a)	12,886,009	14,184,478
Auditor's remuneration		526,700	523,446
Other operating expenses		23,250,292	26,725,869
Total expenditure		687,017,467	674,459,300
(Deficit)/surplus before tax for the year		(6,940,443)	3,414,990
Taxation	4(a)	(55,677)	(218,111)
(Deficit)/surplus for the year		(6,996,120)	3,196,879

The notes on pages 91 to 119 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2014 (Expressed in Hong Kong dollars)

	2014	2013 (Restated)
(Deficit)/surplus for the year	(6,996,120)	3,196,879
Other comprehensive income for the year:		
Items that will not be reclassified to the income statement:		
– Remeasurement of net assets of defined benefit plans	12,333,000	4,009,000
Total comprehensive income for the year	5,336,880	7,205,879

The notes on pages 91 to 119 form part of these financial statements.

Consolidated Statement of Financial Position

as at 31 March 2014 (Expressed in Hong Kong dollars)

	Note	At 31 March 2014	At 31 March 2013 (Restated)	At 1 April 2012 (Restated)
Non-current assets				
Fixed assets	7(a)	53,201,282	63,606,316	73,643,208
Defined benefit retirement plan asset	14(a)(i)	49,088,000	38,504,000	36,226,000
		102,289,282	102,110,316	109,869,208
Current assets				
Debtors, deposits and payments in advance	9	19,059,082	19,695,398	19,450,471
Tax recoverable	13	52,281	–	–
Deposits with banks and financial institutions	10	145,738,790	154,700,000	74,500,000
Cash at banks and in hand	10	7,644,339	8,154,178	75,779,119
		172,494,492	182,549,576	169,729,590
Current liabilities				
Receipts in advance		9,484,963	8,947,261	18,127,722
Accounts payable and accruals	11	103,271,929	108,826,341	91,943,093
Deferred income	12	10,000,000	10,000,000	10,000,000
Current taxation	13	–	196,288	43,860
		122,756,892	127,969,890	120,114,675
Net current assets		49,737,600	54,579,686	49,614,915
Non-current liabilities				
Deferred income	12	41,666,667	51,666,667	61,666,667
NET ASSETS		110,360,215	105,023,335	97,817,456
Represented by:				
RESERVES				
General Fund	15	110,360,215	105,023,335	97,817,456

Approved and authorised for issue on 29 July 2014.

Anthony Lau

Executive Director

Dr Peter Lam Kin-ngok

Chairman of the Board

The notes on pages 91 to 119 form part of these financial statements.

Statement of Financial Position

as at 31 March 2014 (Expressed in Hong Kong dollars)

	Note	At 31 March 2014	At 31 March 2013 (Restated)	At 1 April 2012 (Restated)
Non-current assets				
Fixed assets	7(b)	53,201,282	63,606,316	73,643,208
Defined benefit retirement plan asset	14(a)(i)	49,088,000	38,504,000	36,226,000
Interests in a subsidiary	8	551,876	1	1
		102,841,158	102,110,317	109,869,209
Current assets				
Debtors, deposits and payments in advance	9	18,613,384	18,864,309	18,549,254
Deposits with banks and financial institutions	10	145,738,790	154,700,000	74,500,000
Cash at banks and in hand	10	7,483,900	7,977,860	74,121,810
		171,836,074	181,542,169	167,171,064
Current liabilities				
Amount due to a subsidiary	8	2,061,584	–	–
Receipts in advance		9,484,963	8,947,261	18,127,722
Accounts payable and accruals	11	101,103,803	106,318,197	91,563,903
Deferred income	12	10,000,000	10,000,000	10,000,000
		122,650,350	125,265,458	119,691,625
Net current assets		49,185,724	56,276,711	47,479,439
Non-current liabilities				
Deferred income	12	41,666,667	51,666,667	61,666,667
NET ASSETS		110,360,215	106,720,361	95,681,981
Represented by:				
RESERVES				
General Fund	15	110,360,215	106,720,361	95,681,981

Approved and authorised for issue on 29 July 2014.

Anthony Lau

Executive Director

Dr Peter Lam Kin-ngok

Chairman of the Board

The notes on pages 91 to 119 form part of these financial statements.

Consolidated Statement of Changes in Reserves

for the year ended 31 March 2014 (Expressed in Hong Kong dollars)

	2014	2013 (Restated)
General fund at the beginning of the year, as previously reported	97,542,335	90,633,456
Effect of adoption of Revised HKAS 19	7,481,000	7,184,000
General fund at the beginning of the year, as restated	105,023,335	97,817,456
(Deficit)/surplus for the year	(6,996,120)	3,196,879
Other comprehensive income for the year	12,333,000	4,009,000
Total comprehensive income for the year	5,336,880	7,205,879
General fund at the end of the year	110,360,215	105,023,335

The notes on pages 91 to 119 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2014 (Expressed in Hong Kong dollars)

	Note	2014	2013 (Restated)
Operating activities			
(Deficit)/surplus before tax for the year		(6,940,443)	3,414,990
Adjustments for:			
Interest income		(1,025,795)	(1,295,477)
Depreciation		12,886,009	14,184,478
Gain on disposal of fixed assets		(121,180)	(54,701)
Realisation of deferred income – office premises		(10,000,000)	(10,000,000)
Operating (deficit)/surplus before changes in working capital		(5,201,409)	6,249,290
Decrease in defined benefit retirement plan asset	14(a)(v)	1,749,000	1,731,000
Decrease/(increase) in debtors, deposits and payments in advance		647,815	(376,752)
(Decrease)/increase in receipts in advance, accounts payable and accruals		(5,016,710)	7,702,787
Cash (used in)/generated from operation		(7,821,304)	15,306,325
Overseas tax paid		(304,246)	(65,683)
Net cash (used in)/generated from operating activities		(8,125,550)	15,240,642
Investing activities			
Interest received		1,014,296	1,427,302
Purchase of fixed assets		(2,480,975)	(4,147,586)
Proceeds from disposal of fixed assets		121,180	54,701
Net cash used in investing activities		(1,345,499)	(2,665,583)
Net (decrease)/increase in cash and cash equivalents		(9,471,049)	12,575,059
Cash and cash equivalents at the beginning of the year	10	162,854,178	150,279,119
Cash and cash equivalents at the end of the year	10	153,383,129	162,854,178

The notes on pages 91 to 119 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars)

1 Status of the Board

The Hong Kong Tourism Board (the “Board”) is a subvented body corporate established in 1957 under the Hong Kong Tourist Association Ordinance and reconstituted under the Hong Kong Tourist Association (Amendment) Ordinance 2001 and the Hong Kong Tourism Board Ordinance. Its registered office and principal place of operation is 11th Floor, Citicorp Centre, 18 Whitfield Road, North Point, Hong Kong.

The principal activities of the Board are to market and promote Hong Kong as a world class tourist destination.

2 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2014 comprise the Board and its subsidiary (together referred to as the “Group”).

The measurement basis used in the preparation of the financial statements is the historical cost basis.

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

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

2 Significant accounting policies (Continued)

(c) Changes accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Board. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- Revised HKAS 19, *Employee benefits*

Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*

The amendments to HKAS 1 require entities to present separately the items of other comprehensive income that would be reclassified to the income statement in the future if certain conditions are met from those that would never be reclassified to the income statement. The presentation of other comprehensive income in the consolidated statement of comprehensive income in these financial statements has been modified accordingly.

HKFRS 10, *Consolidated financial statements*

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 Consolidated – Special purpose entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Board has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusion reached by the Group in respect of its involvement with other entities as at 1 April 2013.

Revised HKAS 19, *Employee benefits*

Revised HKAS 19 introduces a number of amendments to the accounting for defined benefit plans. Among them, Revised HKAS 19 eliminates the “corridor method” under which the recognition of actuarial gains and losses relating to defined benefit schemes could be deferred and recognised in income statement over the expected average remaining service lives of employees. Under the revised standard, all actuarial gains and losses are required to be recognised immediately in other comprehensive income. Revised HKAS 19 also changes the basis for determining income from plan assets from expected return to interest income calculated at the liability discount rate, and requires immediate recognition of past service cost, whether vested or not.

2 Significant accounting policies (Continued)

(c) Changes accounting policies (Continued)

As a result of the adoption of Revised HKAS 19, the Group has changed its accounting policy with respect to defined benefit plans, for which the corridor method was previously adopted. This change in accounting policy has been adopted retrospectively by restating the balances as at 1 April 2012 and 31 March 2013, with consequential adjustments to comparatives for the year ended 31 March 2013 as follows:

	As previously reported	Effect of adoption of Revised HKAS 19	As restated
Consolidated income statement for the year ended 31 March 2013			
Staff costs	(194,760,120)	(3,712,000)	(198,472,120)
Surplus after tax	6,908,879	(3,712,000)	3,196,879
Consolidated statement of comprehensive income for the year ended 31 March 2013			
Remeasurement of net assets of defined benefits plan	–	4,009,000	4,009,000
Total comprehensive income for the year	6,908,879	297,000	7,205,879
Consolidated statement of financial position as at 31 March 2013			
Defined benefit retirement plan asset	31,023,000	7,481,000	38,504,000
General Fund	97,542,335	7,481,000	105,023,335
Consolidated statement of financial position as at 1 April 2012			
Defined benefit retirement plan asset	29,042,000	7,184,000	36,226,000
General Fund	90,633,456	7,184,000	97,817,456
Statement of financial position as at 31 March 2013			
Defined benefit retirement plan asset	31,023,000	7,481,000	38,504,000
General Fund	99,239,361	7,481,000	106,720,361
Statement of financial position as at 1 April 2012			
Defined benefit retirement plan asset	29,042,000	7,184,000	36,226,000
General Fund	88,497,981	7,184,000	95,681,981

The Group has not applied any new or revised standard or interpretation that is not yet effective for the current accounting period (note 19).

2 Significant accounting policies (Continued)

(d) Films, publicity and advertising materials

Films, publicity and advertising materials are charged to the income statement on purchase, and no account is taken of stocks on hand at the statement of financial position date.

(e) Investment in subsidiary

Subsidiaries are entities controlled by the Board. The Board controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Board has power, only substantive rights are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Board's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(f) Fixed assets

Fixed assets are stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(l)).

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the income statement on the date of retirement or disposal.

(g) Depreciation

Depreciation is calculated to write off the cost of fixed assets using the straight-line method over their estimated useful lives as follows:

– Leasehold properties	25 years
– Leasehold improvements	10 years
– Motor vehicles	4 years
– Furniture, fixtures and equipment	Additions are fully depreciated in the year of acquisition

The useful life of an asset is reviewed annually.

(h) Debtors

Debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases, the debtors are stated at cost less impairment losses for bad and doubtful debts.

Impairment losses for bad and doubtful debts are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets where the effect of discounting is material).

2 Significant accounting policies (Continued)

(i) Accounts payable and accruals

Accounts payable and accruals are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(k) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. 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.

(l) Impairment of assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that fixed assets and investment in subsidiary may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its fair value less costs of disposal 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 the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

An impairment loss is recognised in income statement if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

An impairment loss is reversed if there has been a favourable 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 prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 Significant accounting policies (Continued)

(m) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

(n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

- (i) Government subvention to finance the general recurrent activities of the Group is recognised as revenue in the income statement of the year in respect of which it becomes receivable.
- (ii) Government subvention to finance the non-recurrent activities of the Group is recognised as revenue to the extent of the related expenditure incurred during the year, with the unutilised balance included in receipts in advance.
- (iii) Government subvention received for the purchase of office premises of the Group is included in the statement of financial position as deferred income and is credited to the income statement by instalments over the expected useful life of the related asset on a basis consistent with the depreciation policy (note 2(g)).
- (iv) Subscription fees are recognised on a time-apportioned basis.
- (v) Interest income is recognised as it accrues using the effective interest method.
- (vi) Sponsorship income for the events is recognised in the income statement upon the completion date of the respective events.
- (vii) Promotion and advertising income are accounted for on the accrual basis.

2 Significant accounting policies (Continued)

(o) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the foreign exchange rates ruling at the statement of financial position date. Exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

(p) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, except where land is held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease. In such cases, it is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made.

2 Significant accounting policies (Continued)

(q) Employee benefits

- (i) Salaries, annual leave, and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.
- (ii) The Group operates a defined benefit and a defined contribution staff retirement scheme for the Hong Kong office, and defined contribution staff retirement schemes for certain overseas offices. Contributions made under the schemes applicable to each year are charged to the income statement for the year. Contributions for the defined benefit scheme of the Hong Kong office are made in accordance with the recommendations made by the actuary. Assets of the schemes, are held separately from those of the Group.
- (iii) Contributions to Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the income statement as incurred.
- (iv) The Group's net obligation in respect of defined benefit retirement plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Service cost and net interest expenses (income) on the net defined benefit liability (asset) are recognised in the income statement as part of "staff costs". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in the income statement at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period of the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

Remeasurements arising from defined benefit retirement plans are recognised in the other comprehensive income and reflected immediately in general fund. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

- (v) Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

2 Significant accounting policies (Continued)

(r) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Principal source of income

The Group

The principal source of income is the subvention from the Government of the Hong Kong Special Administrative Region ("Government") for the year which is determined with regard to the needs of the Board as presented in its annual budget and proposed programme of activities. The amount of the subvention recognised as revenue during the year is analysed as follows:

	2014	2013
Recurrent		
– Subvention for the year	570,157,000	555,200,000
Non-recurrent		
– Meetings, Incentives, Conventions and Exhibitions Promotion/ Wine and Dine Festival/Cruise Promotion in Southern China/ Indonesian Project/Cruise Holiday Expo/Partnernet Revamp/ Island District Council Promotion/Taiwan Eslite Promotion/ Gourmet Art Exhibition/Happy@HongKong Promotion	39,744,289	50,283,420
	609,901,289	605,483,420

4 Income tax

(a) Income tax in the income statement represents:

	2014	2013
Current tax – Overseas		
Provision for the year	55,677	218,111

No provision for Hong Kong Profits Tax has been made in the financial statements as the Board has been granted exemption from all Hong Kong taxes by the Inland Revenue Department under Section 87 of the Inland Revenue Ordinance. Taxation in respect of the Taiwan operation of HKTB Limited, a subsidiary of the Board, is charged at 17% of its estimated assessable profits (2013: 17%).

(b) Reconciliation between tax expense and accounting (deficit)/surplus at applicable tax rate:

	2014	2013 (Restated)
(Deficit)/surplus before taxation	(6,940,443)	3,414,990
Notional tax on (deficit)/surplus before taxation, calculated at the rates applicable to surplus in the tax jurisdictions concerned	15,838	(3,878,366)
Tax effect of non-deductible expenses	67,664	3,978,742
Tax effect of temporary differences not recognised	(27,825)	117,735
Actual tax expense	55,677	218,111

5 Staff costs

The Group

	2014	2013 (Restated)
Contributions to defined contribution retirement plans	8,269,248	6,912,719
Amounts recognised in respect of defined benefits retirement plans (note 14(a)(v))	1,749,000	1,731,000
Retirement costs	10,018,248	8,643,719
Salaries and other benefits	211,454,806	189,828,401
	221,473,054	198,472,120

6 Senior executives' pay and allowances

The Group

The senior executives of the Group include the Executive Director, Deputy Executive Director, General Managers and Regional Directors, and their total pay and allowances during the year were as follows:

2014			
	Executive Director	Other senior executives	Total
Basic salaries	3,679,000	21,064,000	24,743,000
Discretionary performance pay	613,000	1,890,000	2,503,000
Retirement benefit expenses, contract gratuities and other allowances	569,000	7,497,000	8,066,000
	4,861,000	30,451,000	35,312,000

2013			
	Executive Director	Other senior executives	Total
Basic salaries	3,399,000	16,831,000	20,230,000
Discretionary performance pay	600,000	1,564,000	2,164,000
Retirement benefit expenses, contract gratuities and other allowances	526,000	5,392,000	5,918,000
	4,525,000	23,787,000	28,312,000

6 Senior executives' pay and allowances (Continued)

The Group (Continued)

The salaries and discretionary performance pay (excluding retirement benefit expenses, contract gratuities and other allowances) for all senior executive positions of the Group fell within the following pay ranges:

	2014 No. of senior executive positions	2013 No. of senior executive positions
Pay ranges		
1 – \$500,001 to \$1,000,000 (note (a))	1	–
2 – \$1,000,001 to \$1,500,000 (note (b))	3	3
3 – \$1,500,001 to \$2,000,000 (note (c))	2	5
4 – \$2,000,001 to \$2,500,000 (note (d))	4	1
5 – \$2,500,001 to \$3,000,000 (note (e))	2	1
6 – \$3,000,001 to \$3,500,000	–	–
7 – \$3,500,001 to \$4,000,000 (note (f))	–	1
8 – \$4,000,001 to \$4,500,000 (note (f))	1	–
	13	11

Notes: Two new senior executive positions were added in 2013/14.

The salaries of senior executives were subject to annual review during the year. Such salary increases were approved by the Remuneration Review Committee accordingly.

(a) One senior executive position is under Pay range 1 because the position was vacant in the first half of 2013/14.

(b) Senior executive positions in Pay range 2 is the result of the following movements:

- (i) one senior executive position moved from Pay range 2 to Pay range 3 due to the full year impact in 2013/14; and
- (ii) one senior executive position moved from Pay range 3 to Pay range 2 due to the position being vacant in the second half of 2013/14.

(c) The change of senior executive positions in Pay range 3 is due to the following movements:

- (i) one senior executive position moved from Pay range 2 to Pay range 3 as described in (b)(i) above;
- (ii) two of the senior executives positions moved from Pay range 3 to Pay range 4 due to annual salary increases;
- (iii) one senior executive position moved to Pay range 2 as described in (b)(ii); and
- (iv) one senior executive position moved from Pay range 3 to Pay range 5 due to a longer period of transition for the new executive.

The net effect is the decrease of senior executive positions in this Pay range from 5 to 2.

6 Senior executives' pay and allowances (Continued)

The Group (Continued)

Notes: (Continued)

- (d) The increase in senior executive positions in Pay range 4 from 1 to 4 as explained in (c)(ii) and as a result of the addition of a new senior executive position in 2013/14.
- (e) The increase in senior executive positions in Pay range 5 from 1 to 2 as explained in (c)(iv).
- (f) One senior executive moved from Pay range 7 to Pay range 8 due to annual salary increase.

During the year, the Chairman and members of the Board did not receive any remuneration for their services rendered to the Board.

After deliberation and endorsement by the Staff and Finance Committee which comprises non-executive Board members and an officer of the Tourism Commission, the remuneration, terms and conditions of employment of the senior executives were approved by the Board. In accordance with the Hong Kong Tourism Board Ordinance, the appointment and terms and conditions of employment of the Executive Director and the Deputy Executive Director are subject to the approval of the Chief Executive of Hong Kong Special Administrative Region.

The senior executives receive a basic salary and a performance-based variable pay. With effect from 2007/08, the performance evaluation of senior executives is determined by a Performance Management System and assessment criteria, including Key Performance Indicators, Key Strategic Focus and Competencies. Their performance is referenced against a set of objectives set out in the annual business plan. The performance of the Executive Director is assessed by the Chairman of the Board while the performance of the Deputy Executive Director, General Managers and Regional Directors are assessed by the Executive Director. The variable pay of all the senior executives is approved by the Remuneration Review Committee comprising the Chairman of the Board and the Staff and Finance Committee.

The amount of discretionary performance pay for the Executive Director disclosed above represents the variable pay amount of \$613,000 for the year ended 31 March 2014 (2013: \$600,000).

The remuneration of other senior executive positions for the year ended 31 March 2014 represents compensation for the Deputy Executive Director, six General Manager positions (2013: five General Manager positions) and five Regional Director positions (2013: four Regional Director positions).

7 Fixed assets

(a) The Group

	Leasehold properties	Leasehold improvements	Motor vehicles	Furniture, fixtures and equipment	Total
Cost:					
At 1 April 2013	252,855,009	8,006,639	1,534,354	29,527,379	291,923,381
Additions	-	-	-	2,480,975	2,480,975
Disposals	-	-	(347,155)	(2,526,160)	(2,873,315)
At 31 March 2014	252,855,009	8,006,639	1,187,199	29,482,194	291,531,041
Accumulated depreciation:					
At 1 April 2013	190,484,103	7,334,767	970,816	29,527,379	228,317,065
Charge for the year	10,114,200	95,982	194,852	2,480,975	12,886,009
Disposals	-	-	(347,155)	(2,526,160)	(2,873,315)
At 31 March 2014	200,598,303	7,430,749	818,513	29,482,194	238,329,759
Net book value:					
At 31 March 2014	52,256,706	575,890	368,686	-	53,201,282
Cost:					
At 1 April 2012	252,855,009	8,006,639	1,943,642	31,271,573	294,076,863
Additions	-	-	333,411	3,814,175	4,147,586
Disposals	-	-	(742,699)	(5,558,369)	(6,301,068)
At 31 March 2013	252,855,009	8,006,639	1,534,354	29,527,379	291,923,381
Accumulated depreciation:					
At 1 April 2012	180,369,903	7,238,786	1,553,393	31,271,573	220,433,655
Charge for the year	10,114,200	95,981	160,122	3,814,175	14,184,478
Disposals	-	-	(742,699)	(5,558,369)	(6,301,068)
At 31 March 2013	190,484,103	7,334,767	970,816	29,527,379	228,317,065
Net book value:					
At 31 March 2013	62,370,906	671,872	563,538	-	63,606,316

Leasehold properties are all held on long term leases in Hong Kong.

7 Fixed assets (Continued)

(b) The Board

	Leasehold properties	Leasehold improvements	Motor vehicles	Furniture, fixtures and equipment	Total
Cost:					
At 1 April 2013	252,855,009	8,006,639	1,534,354	29,504,851	291,900,853
Additions	-	-	-	2,476,558	2,476,558
Disposals	-	-	(347,155)	(2,526,160)	(2,873,315)
At 31 March 2014	252,855,009	8,006,639	1,187,199	29,455,249	291,504,096
Accumulated depreciation:					
At 1 April 2013	190,484,103	7,334,767	970,816	29,504,851	228,294,537
Charge for the year	10,114,200	95,982	194,852	2,476,558	12,881,592
Disposals	-	-	(347,155)	(2,526,160)	(2,873,315)
At 31 March 2014	200,598,303	7,430,749	818,513	29,455,249	238,302,814
Net book value:					
At 31 March 2014	52,256,706	575,890	368,686	-	53,201,282
Cost:					
At 1 April 2012	252,855,009	8,006,639	1,943,642	31,254,573	294,059,863
Additions	-	-	333,411	3,808,647	4,142,058
Disposals	-	-	(742,699)	(5,558,369)	(6,301,068)
At 31 March 2013	252,855,009	8,006,639	1,534,354	29,504,851	291,900,853
Accumulated depreciation:					
At 1 April 2012	180,369,903	7,238,786	1,553,393	31,254,573	220,416,655
Charge for the year	10,114,200	95,981	160,122	3,808,647	14,178,950
Disposals	-	-	(742,699)	(5,558,369)	(6,301,068)
At 31 March 2013	190,484,103	7,334,767	970,816	29,504,851	228,294,537
Net book value:					
At 31 March 2013	62,370,906	671,872	563,538	-	63,606,316

Leasehold properties are all held on long term leases in Hong Kong.

8 Interests in a subsidiary and amount due to a subsidiary

The Board

	2014	2013
<i>Interests in a subsidiary</i>		
Unlisted share, at cost	1	1
Capital contribution	31,527,724	–
Amount due from a subsidiary	–	29,283,153
Less: impairment loss	(30,975,849)	(29,283,153)
	551,876	1
<i>Amount due to a subsidiary</i>	2,061,584	–

During the year ended 31 March 2014, the Board has waived an amount of \$31,527,724 due from a subsidiary and recognised this as capital contribution to the subsidiary. As at 31 March 2014, the Board assessed the interests in the subsidiary and an additional impairment loss of \$1,692,696 was recognised during the year ended 31 March 2014.

The amounts due (to)/from a subsidiary are unsecured, interest free and have no fixed terms of repayment.

Details of the Board's wholly-owned subsidiary are set out below:

Name of company	Principal activities	Place of incorporation
HKTB Limited	Marketing and Promoting Hong Kong	Hong Kong

Total expenses of \$54,955 for the year ended 31 March 2014 (2013: \$52,805) in respect of the subsidiary was borne by the Board which has waived its right of recovery thereof.

9 Debtors, deposits and payments in advance

	The Group		The Board	
	2014	2013	2014	2013
Debtors	2,281,996	2,672,700	2,281,996	2,672,700
Less: Provision for impairment loss of debtors	(19,117)	–	(19,117)	–
	2,262,879	2,672,700	2,262,879	2,672,700
Deposits and payments in advance	16,796,203	17,022,698	16,350,505	16,191,609
	19,059,082	19,695,398	18,613,384	18,864,309

Included in debtors, deposits and payments in advance are the following amounts denominated in major currencies other than the Group's and the Board's functional currency:

	Exposure to foreign currencies (expressed in Hong Kong dollars)			
	The Group		The Board	
	2014	2013	2014	2013
Australian Dollars	266,167	376,326	266,167	376,326
Chinese Yuan	962,146	974,155	962,146	974,155
Euros	724,746	638,312	724,746	638,312
Great British Pounds	523,002	424,647	523,002	424,647
Japanese Yen	5,114,370	4,706,980	5,114,370	4,706,980
Singapore Dollars	222,743	72,151	222,743	72,151
New Taiwan Dollars	445,698	831,090	–	–
United States Dollars	673,196	670,481	673,196	670,481

The gross amount of debtors, deposits and payments in advance at 31 March 2014 that is expected to be recovered after more than one year for the Group is \$1,848,364 and the Board is \$1,644,633 (2013: the Group \$1,612,558 and the Board \$1,404,421).

9 Debtors, deposits and payments in advance (Continued)

(a) Impairment of debtors

Impairment loss in respect of debtors are recorded using an allowance account unless the Board is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against debtors directly (see note 2(h)).

The movement in the provision for impairment loss of debtors during the year is as follows:

	The Group		The Board	
	2014	2013	2014	2013
At 1 April	-	-	-	-
Impairment loss recognised	19,117	-	19,117	-
At 31 March	19,117	-	19,117	-

At 31 March 2014, the Group's and the Board's debtors of \$108,000 (2013: \$Nil) was determined to be impaired. The impairment loss relating to a customer that was in dispute, was partially set off against \$88,883 being amount due to the same customer. Consequently, a provision for the net impairment loss of \$19,117 (2013: \$Nil) was recognised.

(b) Debtors that are not impaired

The ageing analysis of debtors that are neither individually nor collectively considered to be impaired are as follows:

	The Group		The Board	
	2014	2013	2014	2013
Neither past due nor impaired	616,697	913,605	616,697	913,605
Less than 1 month past due	828,098	668,620	828,098	668,620
1 to 3 months past due	333,550	757,696	333,550	757,696
More than 3 months but less than 12 months past due	395,651	332,779	395,651	332,779
	1,557,299	1,759,095	1,557,299	1,759,095
	2,173,996	2,672,700	2,173,996	2,672,700

10 Cash and cash equivalents

	The Group		The Board	
	2014	2013	2014	2013
Deposits with banks and financial institutions	145,738,790	154,700,000	145,738,790	154,700,000
Cash at banks and in hand	7,644,339	8,154,178	7,483,900	7,977,860
Cash and cash equivalents in the statement of cash flows	153,383,129	162,854,178	153,222,690	162,677,860

Included in cash and cash equivalents are the following amounts denominated in major currencies other than the Group's and the Board's functional currency:

	Exposure to foreign currencies (expressed in Hong Kong dollars)			
	The Group		The Board	
	2014	2013	2014	2013
Australian Dollars	1,364,275	2,020,053	1,364,275	2,020,053
Canadian Dollars	163,040	685,947	163,040	685,947
Chinese Yuan	1,075,763	309,621	1,075,763	309,621
Euros	493,290	184,161	493,290	184,161
Great British Pounds	167,882	1,105,325	167,882	1,105,325
New Taiwan Dollars	129,252	141,252	–	–
New Zealand Dollars	135,006	66,568	135,006	66,568
United States Dollars	161,108	1,147,453	161,108	1,147,453

Deposits with banks and financial institutions bear fixed interest rates with the effective interest rates per annum at the statement of financial position date for the Group and the Board ranging from 0.005% to 1.35% (2013: The Group and the Board 0.01% to 2.10%).

11 Accounts payable and accruals

	The Group		The Board	
	2014	2013	2014	2013
Accounts payable	68,493,734	75,456,173	67,112,619	73,435,239
Other payables and sundry creditors	34,778,195	33,370,168	33,991,184	32,882,958
	103,271,929	108,826,341	101,103,803	106,318,197

Included in accounts payable and accruals are the following amounts denominated in major currencies other than the Group and the Board's functional currency:

	Exposure to foreign currencies (expressed in Hong Kong dollars)			
	The Group		The Board	
	2014	2013	2014	2013
Australian Dollars	2,004,396	2,517,663	2,004,396	2,517,663
Chinese Yuan	3,350,373	2,892,850	3,350,373	2,892,850
Euros	2,367,753	1,402,412	2,367,753	1,402,412
Great British Pounds	1,457,068	991,645	1,457,068	991,645
Japanese Yen	5,736,883	6,247,818	5,736,883	6,247,818
New Taiwan Dollars	1,813,145	2,145,085	-	-
Singapore Dollars	2,942,059	1,317,134	2,942,059	1,317,134
United States Dollars	5,275,428	5,655,609	5,275,428	5,655,609

The gross amount of accounts payable and accruals at 31 March 2014 that is expected to be settled after more than one year for the Group is \$8,464,008 and the Board is \$8,147,994 (2013: the Group \$6,236,383 and the Board \$6,158,443).

12 Deferred income

	The Group and The Board	
	2014	2013
Government subvention granted		
– 1994/95	250,000,000	250,000,000
Aggregate realisation:		
At 1 April	188,333,333	178,333,333
Realised during the year	10,000,000	10,000,000
At 31 March	198,333,333	188,333,333
Balance at 31 March	51,666,667	61,666,667
Less: Amount included in “current liabilities”	10,000,000	10,000,000
Amount included in “non-current liabilities”	41,666,667	51,666,667

13 (Tax recoverable)/income tax in the consolidated statement of financial position

	The Group	
	2014	2013
(Tax recoverable)/income tax in the consolidated statement of financial position represents:		
Provision for overseas tax for the year	54,456	217,943
Provisional tax paid	(106,737)	(21,655)
	(52,281)	196,288

14 Employee retirement benefits

The Group and the Board

(a) Defined benefit retirement plan

The Board makes contributions to a defined benefit retirement scheme registered under the Hong Kong Occupational Retirement Schemes Ordinance. The scheme covers approximately 12% (2013: 14%) of the Board's employees based in Hong Kong. The scheme is administered by an independent trustee, and the assets are held in a trust separately from those of the Board.

(i) The amounts recognised in the statements of financial position are as follows:

	2014	2013 (Restated)
Present value of wholly or partly funded obligations	(32,483,000)	(40,045,000)
Fair value of plan assets	81,571,000	78,549,000
Defined benefit retirement plan asset	49,088,000	38,504,000

A portion of the above assets are expected to be recovered after more than one year. However, it is not practicable to segregate this amount from the amounts recoverable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions. The Board expects no contributions to the defined benefit retirement plan in the year ending 31 March 2015 since the Board has taken the contribution holiday recommended by an independent actuary, Towers Watson Hong Kong Limited ("Towers Watson").

(ii) Plan assets consist of the following:

	2014	2013
Equity securities		
– Pacific Basin	16,897,000	17,589,000
– Europe	12,099,000	9,973,000
– Americas	14,627,000	14,642,000
	43,623,000	42,204,000
Bonds		
– Global Bond	36,884,000	35,212,000
	36,884,000	35,212,000
Cash at banks	1,064,000	1,133,000
	81,571,000	78,549,000

14 Employee retirement benefits (Continued)

The Group and the Board (Continued)

(a) Defined benefit retirement plan (Continued)

(iii) Movement in the present value of the defined benefit obligations:

	2014	2013
At 1 April	40,045,000	41,415,000
Remeasurements:		
– Actuarial gains arising from changes in liability experience	(3,417,000)	(355,000)
– Actuarial losses arising from changes in demographic assumptions	–	4,000
– Actuarial (gains)/losses arising from changes in financial assumptions	(2,158,000)	2,152,000
	(5,575,000)	1,801,000
Benefits paid by the plans	(4,439,000)	(5,736,000)
Current service costs	2,096,000	2,130,000
Interest cost	356,000	435,000
At 31 March	32,483,000	40,045,000

The weighted average duration of the defined benefit obligation is 6.5 years (2013: 7.8 years).

(iv) Movements in fair value of plan assets:

	2014	2013
At 1 April	78,549,000	77,641,000
Benefits paid by the plan	(4,439,000)	(5,736,000)
Interest income	703,000	834,000
Return on plan assets, excluding interest income	6,758,000	5,810,000
At 31 March	81,571,000	78,549,000

14 Employee retirement benefits (Continued)

The Group and the Board (Continued)

(a) Defined benefit retirement plan (Continued)

(v) Amounts recognised in the consolidated income statement and other comprehensive income are as follows:

	2014	2013 (Restated)
Current service cost	2,096,000	2,130,000
Net interest on net defined benefit asset	(347,000)	(399,000)
Total amounts recognised in the consolidated income statement	1,749,000	1,731,000
Actuarial (gains)/losses	(5,575,000)	1,801,000
Return on plan assets, excluding interest income	(6,758,000)	(5,810,000)
Total amounts recognised in other comprehensive income	(12,333,000)	(4,009,000)
Total defined benefit costs	(10,584,000)	(2,278,000)

The retirement expense is recognised under staff costs in the consolidated income statement.

(vi) The principal actuarial assumptions used as at 31 March 2014 (expressed as weighted averages) and sensitivity analysis are as follows:

	2014	2013
Discount rate	1.90%	0.90%
Future salary increases	4.50%	4.50%

The total expected long-term investment return is determined based on the weighted average of the expected long-term investment return for each asset class under the investment portfolio of the defined benefit retirement plan using the economic model of Towers Watson.

The below analysis shows how the defined benefit obligation as at 31 March 2014 would have increased/(decreased) as a result of 0.25% change in the significant actuarial assumptions:

	Increase in 0.25% \$'000	Decrease in 0.25% \$'000
Discount rate	(510)	521
Future salary increases	518	(509)

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

14 Employee retirement benefits (Continued)

The Group and the Board (Continued)

(b) Defined contribution retirement plans

The Board makes contributions to a defined contribution plan (“Choice Plan”) in accordance with the terms stated in the Trust Deed. Under the Choice Plan, the employer is required to make 8% - 15% (2013: 8% - 15%) contributions of the employees’ relevant income. Employees are not required to make contribution to the Choice Plan.

The Board also operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Choice Plan. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of \$20,000 or \$25,000 (effective from 1 June 2012). Contributions to the scheme vest immediately.

15 Reserves

	The Group		The Board	
	2014	2013 (Restated)	2014	2013 (Restated)
General fund at the beginning of the year, as previously reported	97,542,335	90,633,456	99,239,361	88,497,981
Effect of adoption of Revised HKAS 19	7,481,000	7,184,000	7,481,000	7,184,000
General fund at the beginning of the year, as restated	105,023,335	97,817,456	106,720,361	95,681,981
(Deficit)/surplus for the year	(6,996,120)	3,196,879	(8,693,146)	7,029,380
Other comprehensive income for the year	12,333,000	4,009,000	12,333,000	4,009,000
Total comprehensive income for the year	5,336,880	7,205,879	3,639,854	11,038,380
General fund at the end of the year	110,360,215	105,023,335	110,360,215	106,720,361

General Fund

The General Fund represents the Group’s and the Board’s unallocated balances and surpluses. The use of the unallocated balances or surpluses requires prior approval from the Board and the Government.

Based on the understanding between the Government and the Board, the level of reserves held by the Group may increase to a level equivalent to four months of gross expenditure.

16 Commitments

At 31 March 2014, the Group and the Board had commitments in respect of the following:

The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group		The Board	
	2014	2013	2014	2013
Within 1 year	13,096,856	12,377,762	12,316,120	11,685,267
After 1 year but within 5 years	19,143,324	20,831,657	16,797,993	17,637,861
After 5 years	2,151,306	4,278,530	2,151,306	4,278,530
	34,391,486	37,487,949	31,265,419	33,601,658

The Group and the Board lease a number of properties and office equipment under operating leases. The leases typically run for an initial period from one to ten years and five years respectively, with an option to renew the leases when all terms are renegotiated for properties lease. None of the leases includes contingent rentals.

17 Financial instruments

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's operations. These risks are limited by the Group's financial risk management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to deposits with banks and financial institutions, cash at banks and debtors. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's deposit placements with banks and financial institutions are with financial institutions based in Hong Kong and overseas with sound credit rating.

17 Financial instruments (Continued)

(b) Liquidity risk

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

The following tables detail the remaining contractual maturities at the statement of financial position date of the Group's and the Board's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group and the Board can be required to pay:

The Group

2014

	Carrying amount/Total contractual undiscounted cashflow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
Receipts in advance	9,484,963	9,484,963	-	-	-
Accounts payable and accruals	103,271,929	94,807,921	2,392,488	3,238,234	2,833,286
	112,756,892	104,292,884	2,392,488	3,238,234	2,833,286

2013

	Carrying amount/Total contractual undiscounted cashflow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
Receipts in advance	8,947,261	8,947,261	-	-	-
Accounts payable and accruals	108,826,341	102,589,958	2,627,293	758,489	2,850,601
	117,773,602	111,537,219	2,627,293	758,489	2,850,601

17 Financial instruments (Continued)

(b) Liquidity risk (Continued)

The Board

2014

	Carrying amount/Total contractual undiscounted cashflow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
Receipts in advance	9,484,963	9,484,963	-	-	-
Accounts payable and accruals	101,103,803	92,955,810	2,278,009	3,036,698	2,833,286
	110,588,766	102,440,773	2,278,009	3,036,698	2,833,286

2013

	Carrying amount/Total contractual undiscounted cashflow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
Receipts in advance	8,947,261	8,947,261	-	-	-
Accounts payable and accruals	106,318,197	100,159,754	2,627,293	680,549	2,850,601
	115,265,458	109,107,015	2,627,293	680,549	2,850,601

(c) Interest rate risk

The Group has no financing from external parties other than Government subvention and the Group is not exposed to interest rate risk on financing.

Note 10 contains information about the effective interest rates at the statement of financial position date of the Group's income-earning financial instruments.

17 Financial instruments (Continued)

(d) Foreign currency risk

Exposure to currency risk

The Group incurs expenses that are denominated in currencies other than Hong Kong Dollars (“HKD”), the functional currency of the Group, for the operations of the overseas offices. The currencies giving rise to this risk are primarily United States Dollars (“USD”), Japanese Yen, Australian Dollars, Canadian Dollars, Euros, Great British Pounds, New Zealand Dollars, Chinese Yuan, Singapore Dollars and New Taiwan Dollars.

As the HKD is pegged to the USD, the Group does not expect any significant movements in the HKD/USD exchange rate.

For transactions denominated in Japanese Yen, Australian Dollars, Canadian Dollars, Euros, Great British Pounds, New Zealand Dollars, Chinese Yuan, Singapore Dollars, and New Taiwan Dollars, the Group ensures that the net exposure is kept at an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2014 and 2013.

18 Material related party transactions

Other than those disclosed elsewhere in the financial statements, no other material related party transactions were carried out in the normal course of the Group’s business during the current and prior financial years.

19 Possible impact of amendments, new standards and new interpretations issued but not yet effective for the annual accounting year ended 31 March 2014

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and a new standard which have not yet been effective for the year ended 31 March 2014 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments and the new standard is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

