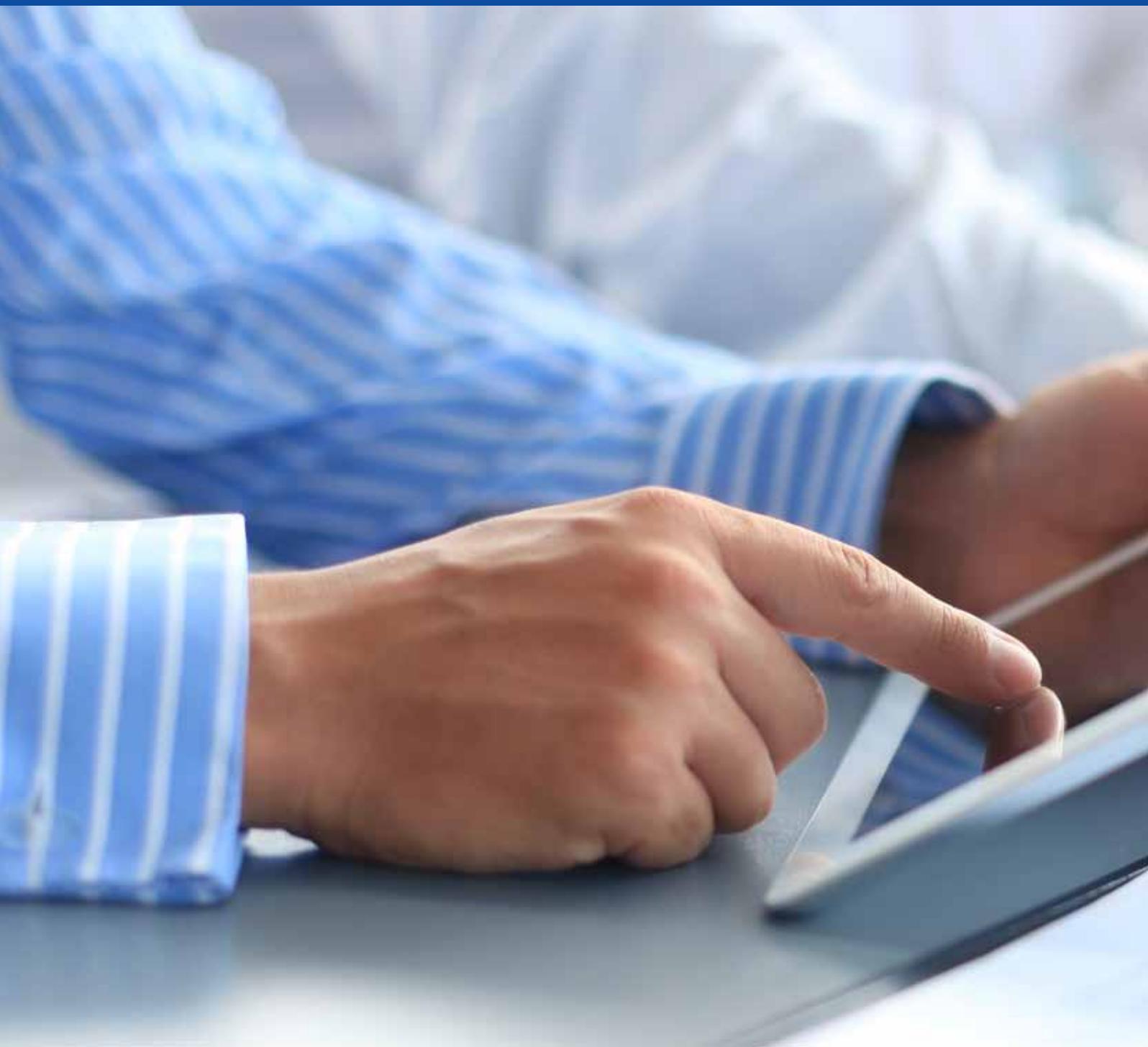


CORPORATE INFORMATION





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 & Insights 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 eight 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 four 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 2015

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*
Miss Cathy Chu (Deputy Chairman) (i)	6/6	5/5	5/5	4/4	3/3	2/2
Ms Poman Lo (ii)	0/3		1/3			0/1
The Hon Sin Chung-kai (iii)	3/4			3/3	2/2	
Ms Florence Chan	6/6				3/3*	
Ms Chitty Cheung (iv)	2/2	1/1				
Ms Winnie Ng	6/6	5/5*#			2/3	
Mr Benjamin Chau	6/6	3/5		4/4*^		
Mr Michael Wu	6/6	3/5				2/2
Ms Linda Yuen	5/6	5/5	5/5			
Mr William Mackay (v)	1/1			1/1		
Sir Wayne Leung	6/6		5/5*			
Mr Perry Mak	6/6	5/5		4/4		
Ms Yip Wing-sie	5/6		5/5			
Mr T C Chan	5/6				3/3	
Ms Nansun Shi	3/6		0/5			
Mr Winston Chow	4/6		4/5			2/2
Mr Barry D. Nassberg	4/6	4/5			2/3	
Mr Paulo Pong	6/6		4/5			2/2
Ms Winnie Tam	3/6			3/4		2/2
Mr Victor Chan (vi)	5/5			3/3		
Mr James Tong (vii)	4/4	4/4				
Ms Belinda Yeung (viii)	3/3		2/2			1/1
Mr Thomas J. Wu (ix)	2/2		N/A~		1/1	

(i) Miss Cathy Chu succeeded Mr Philip Yung as the Commissioner for Tourism and Deputy Chairman of the Hong Kong Tourism Board on 22 December 2014.

(ii) Appointment until 31 October 2014.

(iii) Appointment until 31 December 2014.

(iv) Ms Chitty Cheung resigned on 15 August 2014.

(v) Mr William Mackay resigned on 18 July 2014.

(vi) Appointment effective from 19 July 2014.

(vii) Appointment effective from 16 August 2014.

(viii) Appointment effective from 1 November 2014.

(ix) Appointment effective from 1 January 2015.

* Committee Chairman as at 31 March 2015.

^ Appointed as Chairman of Staff & Finance Committee effective from 19 July 2014.

Appointed as Chairman of Marketing & Business Development Committee effective from 16 August 2014.

~ Appointed as Product & Event Committee member effective from 1 January 2015. There was no meeting held from 1 January to 31 March 2015.

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 2015, the total HKTB headcount numbered 377, of whom 135 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 Board of PMQ
- Advisory Committee on Cruise Industry
- Advisory Committee on Travel Agents
- Asian Association of Convention and Visitor Bureaus
- Aviation Development and Three-runway System Advisory Committee
- Chinese Cuisine Training Institute Training Board, Vocational Training Council
- 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
- 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
- Kai Tak Cruise Terminal Management Committee
- Lantau Development Advisory Committee
- Mainland China Inbound Tour Affairs Committee, Travel Industry Council of Hong Kong
- Retail & Tourism Committee, Hong Kong General Chamber of Commerce
- Task Force on External Lighting
- The Hong Kong Association of Registered Tour Co-ordinators
- 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 Organization
- Pacific Asia Travel Association (PATA)
- World Tourism Organisation (UNWTO)