

POWER UP HONG KONG

**HONG KONG TOURISM BOARD
ANNUAL REPORT 2015/16**



POWER UP HONG KONG

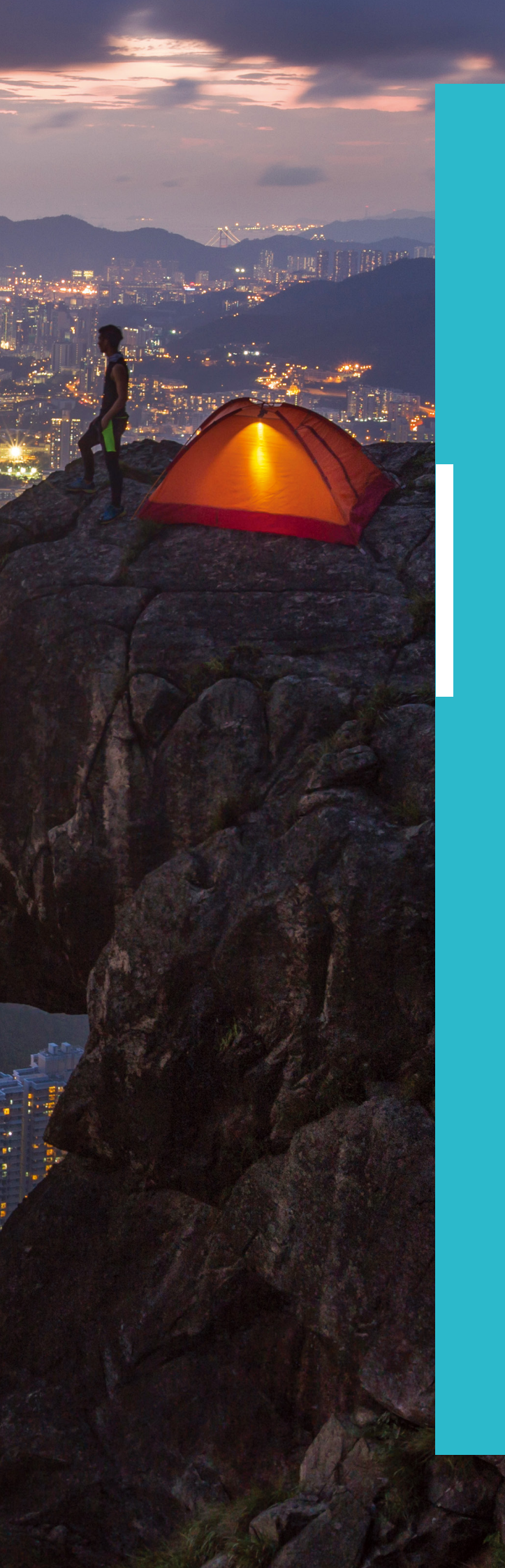
Fuelling a new era of experiential tourism and passion-driven marketing

There is something distinctly symbolic about the world-famous night view of the Victoria Harbour. Just as Hong Kong shines brighter when night falls, the whole industry sparkles in the increasingly demanding tourism market when we work harder together. With the concerted effort of the Government, our trade partners and the community, the Hong Kong Tourism Board (HKTb) enhanced its marketing strategies throughout 2015/16 to fuel the appeal of the city's amazing array of core experiences.

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MESSAGES FROM CHAIRMAN & EXECUTIVE DIRECTOR

FUELLING PURPOSE WITH INSIGHT

Our Chairman and Executive Director reflect on the past year and look to the challenges and opportunities ahead.



Chairman's Message

2015 was an intensely challenging year for the Hong Kong tourism industry. Like cyclists in an uphill mountain race, we faced considerable adversity but emerged with our spirit and resolve intact.

We saw a decline in visitor arrivals from the Mainland for the first time since 2003, partly because the visa policy was tightened from multiple-entry to one visit a week. At the

same time, Hong Kong's hospitable image was affected by a few incidents concerning Mainland visitors.

The strong Hong Kong dollar, meanwhile, dented our arrivals from some international markets although we did see encouraging signs of growth in the second half of the year in some key markets including the US, Japan, South Korea, the Philippines and Thailand.

Our industry remains mired in a period of considerable challenge and it will require unity and ingenuity for us to regain the momentum. What has impressed and heartened me has been the remarkable way in which my colleagues at the Hong Kong Tourism Board along with our trade and Government partners have risen to that challenge.

Nothing better symbolises our determination than the first-ever Hong Kong Cyclothon which drew more than 3,600 competitors from 17 countries and regions. It was a spectacle that perfectly captured the energy and dynamism of our city.

As well as the Cyclothon, our ideas and our sheer hard work have also begun to put us back on the right track. We teamed up with Taiwan to promote multi-destination itineraries to the North America market and boost tourists' desire to visit Asia, including Hong Kong. Our efforts in securing MICE events also paid off with more high-profile events coming to and continuing to run in Hong Kong.

We also saw overwhelming support from our trade partners for the Hong Kong Summer Fun promotion, an event that highlights our year-round, all-seasons appeal as a destination. And the Hong Kong Government has given us steadfast support, putting valuable resources into our programmes and launching a matching fund for attractions to support overseas promotions.

I believe we are beginning to see the fruits of these efforts. Positive sentiment is seeping back into our tourism sector. Every month, new and returning visitors from cities and countries everywhere are discovering Hong Kong's diverse and timeless appeal as Asia's World City.

The road back to tourism growth is an uphill one, and we must continue to stretch our sinews and put every ounce of strength

into it. Like any winning team, though, it is our unity that will give us the competitive edge over our regional rivals.

Riding side by side with our trade and Government partners, harnessing our collective imagination and ingenuity and strength, I have every confidence that together we can power up our tourism industry and speed our way towards exciting new opportunities.



Dr Peter Lam

Chairman

Hong Kong Tourism Board



Executive Director's Statement

A great philosopher once said that the only thing that is constant is change – and the events of the past 12 months have demonstrated how the tourism industry is one that is particularly susceptible to the winds of change.

We are passing through a period of turbulence and challenge. The way we adjust to that turbulence and rise to the challenge will determine the future of an industry that is such a vital element of Hong Kong's economy.

Tourism has had a testing time in the past year. The constantly evolving behaviour and trends of international travellers have tested our resilience as one of the region's leading destinations; the cost of travelling here has increased because of a strong Hong Kong dollar; and our city's image as a friendly, hospitable destination has been dented by thorny issues.

It is imperative that we react positively and effectively and power Hong Kong forward with the resourcefulness and spirit of

innovation that has made us one of the world's most dynamic, successful cities.

At the Hong Kong Tourism Board we have focussed on a number of objectives in events, marketing, public relations and trade partnership to ride out the storms of recent months and steer our tourism industry towards calmer skies.

Firstly, we have promoted the unique Hong Kong experience, organising and supporting more mega events to highlight the diversity and dynamism of our city. Through impactful marketing and public relations campaigns, we have reached out to consumers globally to show them the incredible diversity of experience they can enjoy in a single trip to Hong Kong.

Secondly, we have teamed up with trade partners across the city to provide even more attractive packages and special offers for visitors to enjoy. Hong Kong Summer Fun was a terrific example of how we can pull out all the stops to make sure visitors have an unforgettable, fun-packed stay.

Thirdly, we have made efforts to enhance Hong Kong's reputation as a welcoming and hospitable city. We have worked closely with personalities and media organisations in China to generate positive stories and word-of-mouth advocacy, and promoted Quality Tourism Services Scheme and Quality and Honest Hong Kong Tours to guarantee a high-quality experience for every visitor.

Beyond this, we have also launched new initiatives to open up business opportunities for our trade partners. On top of the New Tour Product Development Scheme, with additional funding from the Government, we have had in place a Matching Fund for Overseas Tourism Promotion by Tourist Attractions Scheme (MFTA) to further strengthen the attractiveness of our attractions.

There is no question that our tourism industry has been buffeted by the headwinds of change and challenge in the past year. However, it is important to remember that despite these setbacks, we have seen extraordinary growth in visitor numbers over the past decade and Hong Kong remains a top tourism destination that attracts tens of millions of visitors a year and is by far the second most-visited destination after the Mainland.

We have every reason for optimism, and I would like to warmly thank the Government and our trade partners for their constant support and encouragement over the years. Together, we are a formidable team with a wealth of ideas and an irresistible brand to promote. Together, we can power up Hong Kong and make sure that this dazzlingly diverse city remains one of the world's most exciting and unmissable tourism destinations.



Anthony Lau
Executive Director
Hong Kong Tourism Board





BOARD MEMBERS

FUELLING INSPIRATION WITH LEADERSHIP AND VISIONARY GUIDANCE

Meet the team of dedicated professionals who use their expertise to guide the HKTb forward.

Board Members

As at October 2016



Dr Peter Lam, GBS

(Chairman)

Chairman

Lai Sun Group



Cathy Chu, JP

(Deputy Chairman)

Commissioner for Tourism

Commerce and Economic Development Bureau
The Government of the Hong Kong SAR



T C Chan, BBS, JP

(Chairman of Audit Committee)

Senior Adviser

The Bank of East Asia, Limited



Victor Chan

Chairman

Hong Kong Hotels Association



Benjamin Chau

(Chairman of Staff and Finance Committee)

Deputy Executive Director

Hong Kong Trade Development Council



Winston Chow

Director & Deputy General Manager

Chow Sang Sang Holdings
International Limited



Sir Wayne Leung

(Chairman of Product and Event Committee)

Managing Director

The Local Printing Press Limited



Perry Mak

Publisher of Hong Kong Economic Times,
Sky Post and U Magazine

Hong Kong Economic Times Holdings Limited



Barry D. Nassberg

(Chairman of Marketing and Business Development Committee)

Group Chief Operating Officer

Worldwide Flight Services



Paulo Pong

Founder & Managing Director

Altaya Group International Limited



Nansun Shi

Executive Director

Film Workshop Co. Ltd.



Winnie Tam, sc

Barrister-at-law
Chairman, Hong Kong Bar Association



James Tong

Director Public Affairs
John Swire and Sons (H.K.) Ltd.



Michael Wu, BBS, MH, JP

Honorary Adviser
Travel Industry Council of Hong Kong



Thomas J. Wu, JP

Managing Director
Hopewell Holdings Limited



Belinda Yeung

Executive Director & Chief Operating Officer
Regal Hotels International Holdings Limited



Jeny Yeung

Commercial Director
MTR Corporation Limited
(note i)



Yip Wing-sie, BBS, JP

Music Director
Hong Kong Sinfonietta
(note ii)



Carrie Yu

Assurance Partner
Retail & Consumer Industry
PricewaterhouseCoopers
(note iii)



Linda Yuen

Managing Director
Sightseers (HK) Limited

Notes

- (i) Appointment effective from 1 March 2016.
- (ii) Photo courtesy: Yvonne Chan
- (iii) Appointment effective from 1 August 2015.
- (iv) The following members also served the Board during the year ended 31 March 2016:
Ms Florence Chan retired on 31 July 2015;
Ms Winnie Ng retired on 29 February 2016.





TOURISM PERFORMANCE

FUELLING RESILIENCE AMID A CHALLENGING TOURISM CLIMATE

Facts and figures on how we performed in 2015 amidst a tough tourism environment.

Tourism Performance



Total Arrivals

59.31 million | -2.5%

- Overnight Arrivals

26.69 million | -3.9%

- Sameday Arrivals

32.62 million | -1.4%



Total Tourism Expenditure Associated with Inbound Tourism

HK\$ **332.29** billion | -7.5%





Overnight Visitors' Per Capita Spending

HK\$ **7,234** | -9.1%



Average Length of Stay among Overnight Visitors

3.3 nights | unchanged



Overall Satisfaction of Overnight Visitors (Max: 10 points)

8.2 points | unchanged







STRATEGIC FOCUS

FUELLING CREATIVITY IN TOURISM MARKETING

Insights into our market focus and our approach to different target markets and sectors to expand our visitor arrivals.



Powerhouse of the year:
Hong Kong Summer Fun

p 21



Overseas Promotions p 26



Marketing Initiatives p 40



Public Relations p 42



Exciting Events p 46



Trade Partnership p 56



MICE Business p 58



Cruise Experience p 62



Top-Notch Service p 64



Multi-Destination Travel p 66

Hong Kong Summer Fun



True to its name, the Hong Kong Summer Fun “Shop.Eat.Play” (HKSF) campaign delighted even the most discerning visitors with all the amazing surprises one could ask for in a holiday. Visitors were treated to a range of attractive packages, lucky draws and citywide rewards we solicited through vigorous trade cooperation. Together with our comprehensive public relations and consumer communications initiatives, the summer promotion was an excellent demonstration of the industry’s determination to power up Hong Kong’s tourism.

Developing Pre-Trip Awareness

A great vacation starts with well-thought-out planning, and we understand that everyone could do with a bit of inspiration to make the most out of their precious time off. Employing a 360-degree communication plan allowed us to reach consumers worldwide as early as their research stage to get them interested in Hong Kong’s summer attractions before they become overwhelmed with choices. The purpose of the appealing offers we put together was to make their decision-making easier.

Large-scale consumer communications campaign

New “Shop.Eat.Play” TV commercial

This 30-second video, showcasing some of Hong Kong’s finest shopping, eating and playing experiences during the HKSF campaign, was broadcast on Discovery Networks, Fox, Star Movies, CNN, BBC World News, National Geographic, and other major local channels.

Digital promotions

We extended our reach to a wider audience through key digital platforms, such as YouTube, Google and our own website and social media accounts. We ran a daily social media contest for a trip to Hong Kong to build up excitement during the countdown to the launch of the HKSF campaign. There were also localised promotions in various markets:

TAIWAN: Leveraged the reach of digital platforms of appledaily.com, bloggers and key opinion leaders to arouse young and mid-career travellers’ interests to visit Hong Kong.

SOUTH KOREA: Engaged YouTuber Jeongju and blogger Hyeinny to generate creative content related to the HKSF promotions, utilising their fame to enhance our destination appeal for young South Koreans.

SOUTHEAST ASIA: Collaborated with travel website Skyscanner in Singapore, seven mommy bloggers in the Philippines, and lifestyle portal Wanista in Malaysia to reach consumers from various segments.

AUSTRALIA: Organised a user-generated content competition featuring the hashtag #MyHiddenHK, which attracted a total of 2,766 entries, while the multimedia content posted by Geneva Vanderzeil on her blog “A Pair & A Spare” drew over 3.4 million viewers and directed a lot of traffic to DiscoverHongKong.com.

Off-line promotions

TAIWAN: Boosted the campaign’s exposure with posters at the Taipei Railway Station and in print media, including *U-Paper* and *Apple Daily*.

SOUTHEAST ASIA: Ran tactical advertisements in newspapers, magazines and radio stations in the Philippines (*Philippines Daily Inquirer* and *Philippine Star*), Indonesia (*Femina* magazine), and Malaysia (988 FM, Suria FM and *Sin Chew Daily*).

SOUTH KOREA: Developed co-op with Lotte Cinema to play the “Shop.Eat.Play” video at 214 theatres nationwide for one month.

Public relations

Our key initiatives included media events and familiarisation trips announcing our summer promotions, as well as partnerships with regional TV networks, such as Discovery Networks, to produce travel programmes. We also rode on overseas celebrities’ first-hand experience with HKSF rewards and in-town offers to create sustained publicity.

JAPAN: Pop band GENERATIONS from EXILE TRIBE’s visit as the Hong Kong Friendship Ambassador for 2015 resulted in 225 pieces of media coverage on TV, online and in print media.

SOUTHEAST ASIA: Facilitated the filming of travelogues by TV stations from Thailand (Channel One), Malaysia (Astro) and Indonesia (Trans TV).

In addition, several celebrities from our target source markets were invited to promote our Instant Mega Draw. Their popularity was crucial in generating spin-off coverage. The celebrities included:

- Taiwanese actor Joseph Cheng Yuan-chang,
- South Korean actor Ji Jin-hee, and
- British stylist and TV presenter Gok Wan.



Cooperation with trade partners

In-town offers

We solicited deals or e-coupons from merchants, which visitors could download from DiscoverHongKong.com, the My Hong Kong Guide mobile app, or Alipay before coming to Hong Kong.

Hotel offers

Members from Federation of Hong Kong Hotel Owners and Hong Kong Hotels Association provided attractive room packages as part of the HKSF promotions with direct booking available on a dedicated HKTb mini-site.

Travel package offers

Our worldwide offices also worked with airlines and travel trade partners to come up with tempting packages.

MAINLAND CHINA: We worked with trade partners, including Hong Kong Disneyland, Cathay Pacific, Dragonair, Ocean Park, Ngong Ping 360 and Sky100, to launch themed products via travel websites, such as Ctrip, Tuniu, Lvmama, and Mangocity, to drive arrivals during the HKSF period.

TAIWAN: We solicited five airlines and 13 travel agents to offer island-wide super-value packages.

JAPAN: Our projects with Vanilla Air and booking website H.I.S. boosted visitors' interest to visit Hong Kong through special offers, promoted through a series of breathtaking aerial movies and multi-talented artist Yosuke Imai's mesmerising photo essays on Hong Kong via various platforms.

SOUTH KOREA: We partnered with Cathay Pacific to roll out a month-long "Boss, I will take leave tomorrow" campaign, featuring special fares and a daily promotion to win a free air ticket.

SOUTHEAST ASIA: We partnered with Expedia to push offers in Thailand, Singapore and Malaysia and with airlines to offer good deals devoted to HKSF travel through online media platforms.

AUSTRALIA: We launched exclusive deals with Flight Centre and Qantas and leveraged their robust marketing platforms for further consumer promotions. We arranged other tactical cooperation with travel websites, including Expedia, TripAdvisor and Zuji.

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中國航空 CHINA AIRLINES 香港旅遊發展局 HONG KONG DiscoverHongKong.com

Upon Arrival

All visitors were greeted with Hong Kong's summer excitement as soon as they arrived at Hong Kong International Airport (HKIA). Each guest received a welcome pack, which came with everything they needed to enjoy the attractive offers and activities we consolidated with our trade partners to help ensure the perfect vacation in Hong Kong.

Instant Mega Draw

- All visitors were invited to participate in the HKTb's Instant Mega Draw at HKIA.
- We distributed over 2.4 million prizes, with a total value exceeding HK\$500 million.
- The prizes included free room accommodations, dining offers, discount vouchers, and a total of 30,000 cash coupons (each valued at HK\$100) for in-flight shopping on Cathay Pacific and Dragonair.

Telecommunications offers

- Mobile phone service provider CSL offered all visitors arriving Hong Kong via HKIA a free seven-day WiFi pass.

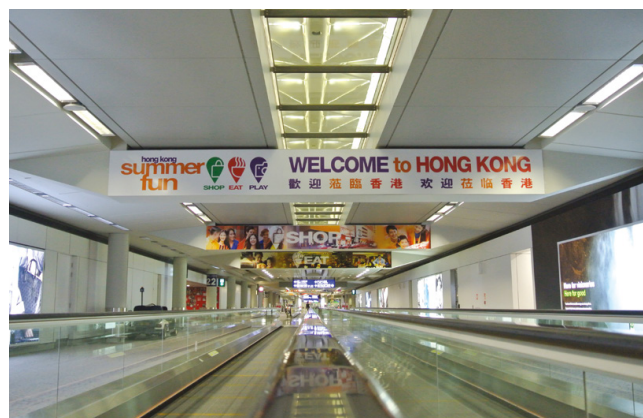


In-Town

The VIP card visitors received at HKIA allowed them to enjoy comprehensive offers from QTS merchants and other travel trade, retail and dining merchants.

- The participating merchants could be identified by the promotional decal displayed at their outlets.
- Over 10,000 participating outlets provided offers on an array of goods and services.

We continued to pay efforts in drawing in-town visitors' attention to our HKSF programme through broadcasting our large-scale TV commercial on major channels, outdoor advertising and in attractions, creating a citywide ambience of "Shop.Eat.Play" in Hong Kong.



Departure

Before departure, visitors were treated to the Grand Lucky Draw, in which 10 winners earned the chance to "Return to Hong Kong Like a Millionaire" with a travel companion.

The luxurious trip started with a return business-class flight sponsored by Cathay Pacific or Dragonair, followed by a three-night stay at some of the city's most luxurious hotel suites, complete with private limousine transfers, spa treatments, HK\$50,000 spending credit, HK\$10,000 gift card with VIP experiences, luxury mobile phone and Michelin-starred dining experiences.

- Sponsorship from partners worth over HK\$4 million.
- The winners' luxurious stays during their revisit to Hong Kong were shared on various social media platforms to generate additional publicity for Hong Kong.



Overseas Promotions

Driving international exposure for Hong Kong is a top priority, in which the HKTb invests a lot of resources. Our goal is to increase the number of overnight arrivals, visitors' length of stay and per-capita spending. This section documents the tremendous effort each of our worldwide offices puts into fortifying Hong Kong's positive branding through public relations, marketing and trade collaboration.

Mainland China

Mainland China is our top source market and we go to great lengths to maintain a close bond with all our trade partners and to leave visitors with a lasting, positive impression of Hong Kong, regardless of their purpose of travel.

Emotional bonding and image building through media and KOL engagement

We collaborated with World Traveller Media (WTM) to roll out a series of emotional videos nationwide to promote Hong Kong's hospitable image and attract Mainland visitors to Hong Kong. The positive feedback it received encouraged us to further our consumer education in the Quality Tourism Services Scheme and Quality and Honest Hong Kong Tours, this time through advertorials in nine newspapers and online travel agents such as LY.com. We also kept up with the fast-growing digital trend by inviting local celebrities and key opinion leaders (KOLs), including Jiang Xin and Guo Tao, to help build destination awareness on their social media platforms throughout the year.

Highlights

- Publicity value generated by the WTM co-op: HK\$143 million



Extensive trade co-op projects

Among the trade partners we worked with to attract visitors by offering special packages were Alitrip, an online travel website popular with Mainlanders, Cathay Pacific/Dragonair, and China Eastern Airlines. Also crucial in delivering news of the latest happenings and promotional offers to entice spending was the strategic HK Value Offer Programme we built with digital platforms Sina, Alipay and Dianping.



Highlights

- Increase in the number of users of the Hong Kong Value Offer Programme: 380%

Hong Kong as the MICE and cruise hub of Asia

Corporate and consumer outreach is a great way to uphold the city's reputation as Asia's MICE and cruise hub. In 2015/16, to showcase our MICE offerings and seek partnerships, we organised dinner events in Beijing and Shanghai for 50 corporate decision makers, as well as a familiarisation trip for 18 convention organisers from the China National Association. To promote our cruise offerings, we invited pop singer Hins Cheung to participate in a series of photos of him enjoying various activities on a cruise. This was followed by several bursts of publicity and a familiarisation trip for KOLs and the media to maximise coverage of the event.



Highlights

- Publicity value generated by the "Word-of-mouth Cruise PR" campaign: HK\$5.19 million



Taiwan

Through promotions of Hong Kong's exciting mega events, we boosted the city's seasonal appeal and the desire of Taiwanese travellers to spend their vacations in Hong Kong.

Hong Kong Cyclothon

Ahead of our very first Hong Kong Cyclothon, we organised some trade familiarisation trips for inspiring Taiwanese co-op partners to create more attractive travel packages. As a result, a number of Taiwanese participants signed up for the race and a newly-created leisure cycling tour has now become a staple in the Taiwanese market.



Hong Kong WinterFest

Singer Crowd Lu and TV travel show host Rima Zeidan were invited to explore Hong Kong's winter offerings, resulting in two promotional videos and an interactive online campaign, which successfully captivated the interest of young Taiwanese in our unique living culture and the romantic aura during Hong Kong Winterfest.

Highlights

- Video views: 2,693,671



72 Hours in Hong Kong

In addition to leveraging the charm of the city's mega events, we rolled out an enchanting consumer-engagement campaign, which showcased many facets of Hong Kong visitors can experience in as few as three days. A charismatic video created in a style close to Taiwanese's heart captured the attention of many locals and inspired enthusiastic participation in a photo competition. The campaign fuelled many Taiwanese with a yearning to visit our city and started the momentum for the amazing range of Hong Kong Summer Fun promotions (p.21-25) that followed.



Japan

Collaboration with different sectors, leveraging their reach and strength, is a great way to magnify the work we do. In Japan, this included celebrity endorsement, media partnerships and trade networking.

Celebrity endorsement

Japanese boy band GENERATIONS from EXILE TRIBE, our Hong Kong Friendship Ambassador for 2015, promoted their trips to Hong Kong via various means, including a 20-minute appearance on popular TV show “King’s Brunch”. A series of videos and photos were also released to attract young Japanese on digital platforms and at consumer shows, such as the Japan Tourism Expo.

Media partnership

FRaU magazine published a special issue on hidden gems worth checking out in Hong Kong’s thriving dining and cultural scene. The magazine came with a comprehensive map of the trendiest digs and was especially sought after because actor Hideaki Takizawa was on the cover and train posters with the cover were put up in Tokyo and Osaka.

Trade networking

A high-level trade mission in 2015 saw 10 Japanese travel trade VIPs inspect and enjoy the Wine & Dine Festival and the Sai Kung area to better understand our tourism appeal. We also invited product managers from 43 Japanese trade partners to meet with local trade partners for some fruitful discussions at Contract Hong Kong 2015.

Highlights

- The spin-off digital competition attracted 12,000 applicants in a month.
- In addition to the initial 50,000 copies, an extra 25,000 copies of the map were reprinted at the request of our trade partners.



South Korea

TV culture has a particularly strong influence in South Korea. That is why we always seek to engage TV stations to film and broadcast our exciting happenings, capitalising on the draw of celebrities and the generous support of our trade partners.

Chef and My Fridge

This high-rated TV show on Seoul's JTBC network created a special Hong Kong edition, in which star chefs from both places competed against each other in a cook-off. The episode, also featuring celebrity guest hosts, including Super Junior M's Henry, attracted hundreds of press articles and generated a lot of buzz on social media platforms.



Highlights

- Publicity value: HK\$56 million



“A most fun night out in Hong Kong”

We developed a tactical consumer campaign in October with Jin Air to roll out a special air ticket offer with 20 visitors winning a spot in an exciting tram-ride party, after which they continued the evening's fun and excitement with culinary treats at the Wine & Dine Festival. Their journey was filmed and broadcast by KBS 2TV during prime time countrywide.

Highlights

- Publicity value: HK\$7.2 million

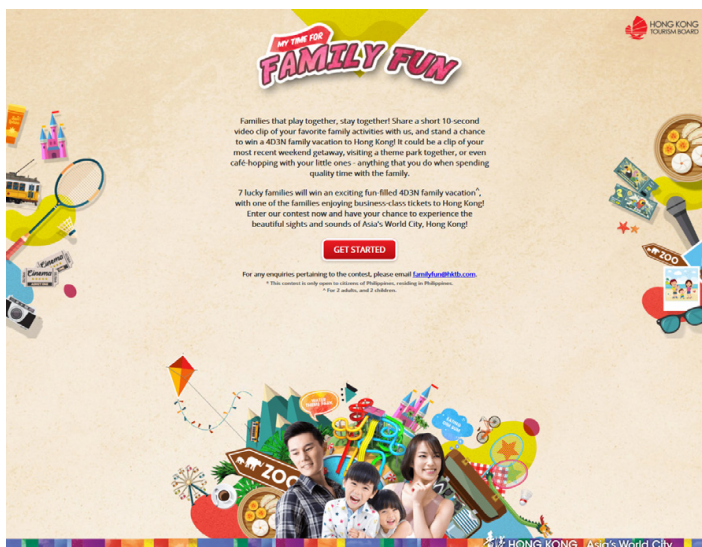


Southeast Asia

By first ensuring a meticulous understanding of each source market, we laid important groundwork for the planning and execution of all our initiatives. In Southeast Asia, that knowledge was translated into creative campaigns and trade events brimming with a strong local flavour.

Localised campaigns

Inspired by how digital savvy and family-oriented Filipinos are, we organised a three-week video contest on our Facebook page, asking everyone in the Philippines to submit a 10-second family-bonding video in a competition to win seven (the nation's lucky number) pairs of free air tickets to Hong Kong.



Highlights

- Number of videos received: 3,900
- Views: over 70 million

In Thailand, based on the consumer insight that Thais are deeply spiritual, we designed an itinerary for Thai celebrities Yok and Gypso to visit temples to pray for a good year ahead. They also got a taste of various rituals during Chinese New Year. Six media representatives were invited to cover their journey, while 20 others attended a media luncheon held later in conjunction with the Thai International Travel Fair for an overview of their trip.



Highlights

- Publicity value : over HK\$1 million

Travel missions and consumer fairs

In addition to organising travel missions to Malaysia, the Philippines and Thailand, offering over 500 local travel trade operators the opportunity to explore business opportunities with their Hong Kong counterparts, we participated in and launched value offers at the Travel Tour Expo in the Philippines and the Thailand International Travel Fair in February to boost arrivals in the upcoming school breaks in both markets.

Trade collaboration

Targeting young and mid-career travellers in Malaysia, Singapore and Thailand, we launched value offers with airlines and online travel agencies in the local markets to entice them to spend their short break in Hong Kong. The partnerships were very successful in enhancing arrivals in the first quarter of 2016, with our partners recording double-digit growth in sales volume related to Hong Kong packages.

Also not to be overlooked was the vast array of effective initiatives each Southeast Asian market rolled out to boost arrivals to, and destination awareness of, Hong Kong, including media partnerships, popular trade offers and blogger campaigns designed especially for the Hong Kong Summer Fun campaign (p.21-25).



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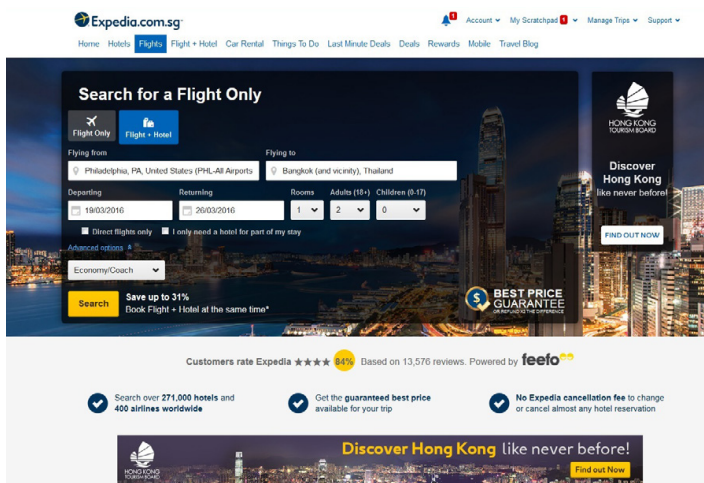
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New Markets

By inviting KOLs and TV celebrities to experience Hong Kong, we optimised the reach of our message in our New Markets – India, Russia and the Gulf Cooperation Council (GCC) – utilising their social influence, the power of the mass media and the boundless world of social media platforms.



Collaboration with Fox Life India and Star Plus

Leveraging the popularity of Fox Life India's reality show "Once in a Lifetime" and Star Plus' drama series "YRKKH", we showcased the city's iconic landmarks and exciting happenings by facilitating their filming in Hong Kong. Celebrities from both shows also drew a lot of attention with spin-off posts in their own social media accounts.

Highlights

- Publicity value "Once in a Lifetime" generated: over HK\$51 million
- Publicity value "YRKKH" generated: over HK\$360 million

Food adventures on Russia's Friday Channel and NTV

Russian TV travel show "Food I Love You", by Friday Channel, introduced to its audience Hong Kong's unique East-meets-West culture through our culinary delights, while NTV's "Let's Go, Let's Eat", hosted by well-known TV presenter and chef John Warren, gave his audience a crisp run-down of Hong Kong's dining culture, attractions and wide range of activities in two light-hearted episodes.

Highlights

- Publicity value "Food I Love You" generated: HK\$57 million
- Publicity value "Let's Go, Let's Eat" generated: HK\$6.85 million



Summer co-op with Emirati digital KOLs

We hosted Maitha and Hessa Ahrari, two very influential travel bloggers in the GCC. Together, they boast more than 480,000 followers on their social media platforms, through which we promoted Hong Kong's stunning skyline and the large variety of attractions to generate destination knowledge and interest for family travellers.

Highlights

- Posts created: 151
- Reaction: 883,000 likes and 6,000 comments
- Audience reached: 480,000

Australia

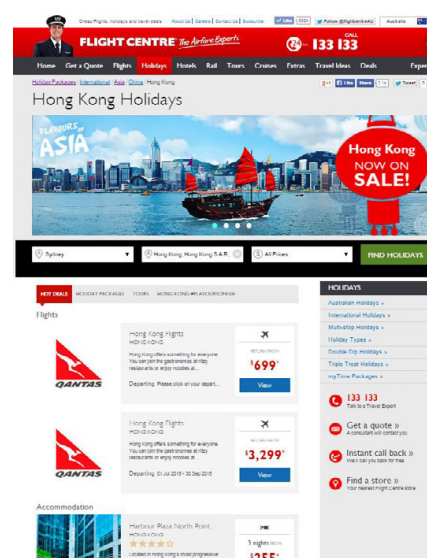
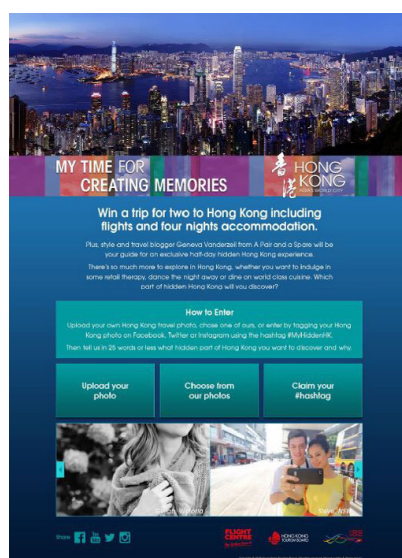
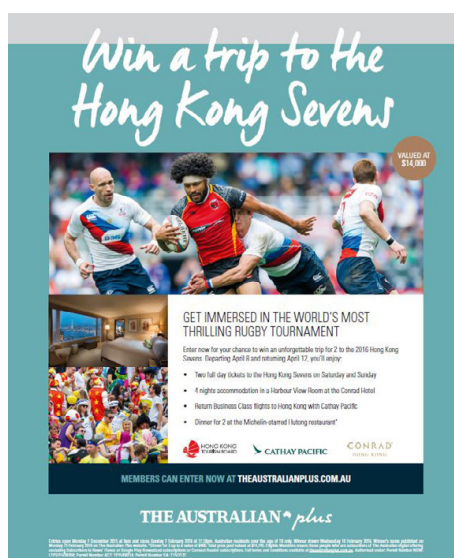
The Hong Kong Sevens is one of the pillar events upholding Hong Kong's status as the Events Capital of Asia. To further increase the number of arrivals during the mega sports event, we boosted our promotions through media engagement in Australia.

Advertising campaign in *The Australian*

The Australian is Australia's biggest-selling national newspaper. As its readership matches our target segment, we chose it to run our promotion campaign throughout December and January, placing eye-catching advertisements in both print and online editions. We also engaged readers on its social media platforms and ran a competition for them to win a trip for two to Hong Kong – business class flights with Cathay Pacific, a four-night stay at the Conrad Hong Kong, tickets to the Sevens, and dinner at Michelin-starred restaurant Hu Tong.

Highlights

- Publicity value: HK\$1.8 million



Fox Sports TV coverage

Fox Sports shot and aired eleven 60-second videos about the Sevens weekend that went to air on Foxtel, a TV broadcaster with over 2 million household subscribers in Australia and New Zealand. The videos covered not only the electrifying vibe and ecstatic audience in Hong Kong Stadium, but also the city's iconic landmarks, expansive dining options and thrilling nightlife.

Highlights

- Publicity value: HK\$2.67 million

Americas

In Canada and the US, we used similar approaches to promote Hong Kong's various destination appeals, vigorously engaging celebrities, media and trade partners, and promoting inter-destination collaboration.

Word-of-mouth publicity

Travel expert and author Claire Newell's visit to Hong Kong was made into a collection of TV and radio programmes and editorials distributed widely in Canada. In addition to generating interest in visiting Hong Kong by broadcasting her wonderful time at the Peak, the Big Buddha and the like, we enhanced Canadians' incentive to visit the city by rolling out attractive tour packages with popular travel websites, such as Travel Best Bets and Silk Holidays.

In the US, host Michael Corbett and actor Chris Noth helped promote the city's glamour and sophistication in NBC's Emmy Award-winning show "Extra's Mansions & Millionaires", which had three national airings in the last three months of 2015. The show named Hong Kong one of the "World's Best Destinations" and generated publicity value of HK\$86 million.



Media and trade networking

To showcase Hong Kong's culinary delights, three Michelin-starred chefs prepared an afternoon of authentic cuisine at Hong Kong Live in Toronto, a luncheon held for over 30 media and trade guests in Canada's most populous city. It was a prelude to Think Asia, Think Hong Kong, a business convention organised by the Hong Kong Trade Development Council, where the chefs served up another luncheon for more than 1,000 business people.

The US office provided strong support to the Virtuoso Symposium 2015, which was attended by over 500 top executives. Held in Hong Kong, the high-level business meeting for the travel industry is an annual occasion for showcasing destination and supplier offers to participating members to get them excited about the host city.



Multi-destination promotions

Both offices highly encouraged local tour operators to promote multi-destination travel featuring Hong Kong and its neighbouring cities. Together with the Taiwan Tourism Bureau, we organised media receptions and trade networking events in the US and Canada to showcase our joint offerings. We also partnered with the Macao Government Tourist Office to arrange a trade mission to Los Angeles and New York to connect travel suppliers from Hong Kong and Macao with local operators. For details of our multi-destination promotions, please refer to p.66-67.



Europe

In Europe, each office rolled out different initiatives adapted to the distinctive preferences in their market to present Hong Kong to consumers and travel trade partners in the most attractive and memorable manner.

Mixed bag of collaborative projects

In addition to seizing the opportunity to promote Hong Kong at the world-famous travel trade show ITB Berlin, our office in Germany worked closely with Cathay Pacific, Lufthansa, tour operator FTI, and other key industry players throughout the year to strengthen the city's appeal as a desirable destination. The multi-layered campaign we rolled out with luxury tour operator Dertour was a highlight as our catalogue launch, participation at the DER Touristik Summer Lights trade exhibition and flyer distribution effort attracted a 23.4% growth in overnight bookings for the winter season.

It also secured a large amount of TV and print coverage, including the following:

- An episode titled “Kitchen Impossible” on VOX TV (Publicity value: HK\$19.6 million)
- Four dedicated features in “Austria’s Next Top Model” (Publicity value: HK\$10.5 million)
- An 11-page cover story in Lufthansa’s in-flight magazine (Publicity value: HK\$3.2 million)
- A seven-page article on the local art scene for the affluent readers of *MADAME* (Publicity value: HK\$1.2 million)



Consumer and trade engagement

In France, the highlights included an hour-long dedicated episode on France 5 TV's long-running travel show “Échappées Belles”, which reached an audience of over 3.9 million, and two other TV and radio pieces.

As the HKTb's “Insider's Guide” has been identified as a go-to tool for gratifying French travellers' fondness for cultural immersion with authentic experiences, we used it for public relations stories, digital campaigns, consumer material and trade training. In addition to training over 150 French trade agents to enhance business opportunities, our annual travel mission to Paris gathered representatives from nearly 50 Hong Kong and French companies.



TV as a crucial messenger

For consumers in the UK, TV was our key platform for providing information about everything new and wonderful in Hong Kong. The series premiere of travelogue “Ching's Amazing Asia” recorded global publicity value of HK\$155 million, and the lively coverage by British-Chinese host Ching-he Huang was repeated 19 times across 94 countries, generating digital buzz among consumers and business for the travel trade.

And as part of BBC2's China Season, Hong Kong was featured in a special titled “Chinese New Year – The Biggest Celebration on Earth” for a total of 90 minutes in two episodes. TV presenters Kate Humble and Ant Anstead were shown taking lion dance training, shopping at a fish market and performing in the International Chinese New Year Parade. The special reached 3 million viewers and generated publicity value of HK\$48 million.

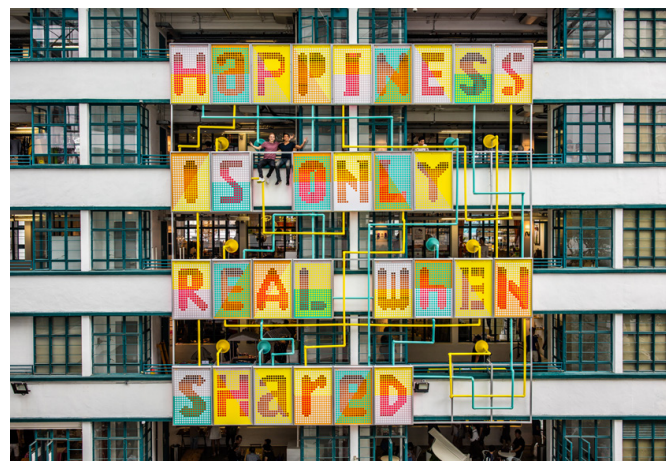


Marketing Initiatives

It is our job to push the envelope and produce creative marketing initiatives that highlight the incredible variety of experiences Hong Kong has to offer. In 2015/16, we delivered a series of impactful promotions and campaigns through both traditional and digital channels to communicate with the largest audience possible.

Visuals reign

With its impressive collection of photographs capturing destinations around the world in the most picturesque fashion or from the least expected, daredevil perspectives, it is no wonder the Instagram travel account Beautiful Destinations has built a loyal following of over seven million fans across 180 countries. Thanks to the group's popularity, the 14 stunning images and three 15-second videos they created of Hong Kong especially for the HKTb resulted in great feedback on multiple Instagram accounts.



Highlights

- Beautiful Destinations' Instagram account: close to 700,000 likes, 300,000 video views and more than 10,000 comments
- Instagrammers' personal accounts: close to 230,000 likes and 3,500 comments
- HKTb's social media accounts: close to 90,000 likes and 1,200 comments

A word-of-mouth triumph

In today's digital world, we know that real-time, peer-generated information on the internet is what steers travellers' destination choices and itinerary planning. That is why we partnered with the world's biggest travel review website, TripAdvisor. By customising Hong Kong's profile page, we drive travellers' interests and plans from their early research stage. The content comes in various formats: thoughtful, in-depth articles, intriguing lists of places to see, and regular updates on events and happenings.

Highlights

- The brand-new Hong Kong destination page on TripAdvisor is now available in 14 different languages, in 16 world regions.

Going social

Our digital marketing team is constantly keeping up with the ever-evolving social media scene to fully tap into the popularity of different platforms. In addition to generating authentic content to engage our fans, we are keen to try out new apps and functions. Our live-streaming videos on Facebook and YouTube, for instance, received an encouraging response. And by forging a first-in-Asia partnership with Instagram, we expanded our fan base by employing its new advertising feature.



Highlights

- The live-stream broadcast on one of our most popular events, the Hong Kong's New Year Countdown Celebrations, recorded impressive results. Engagement rate increased by 67% with over 50,000 shares.
- Fans across all social media platforms: 5.5 million
- Instagram fan growth in 2015: 842%

The travel encyclopedia of Hong Kong

DiscoverHongKong.com is a treasure trove of travel information on our exciting city, which we continually enhance and enrich for the convenience of every type of visitor. To capitalise on the growing use of mobile devices, we accelerated the development of the website's mobile version for a superior on-the-go browsing experience. We also continued to grow our partnership with third parties to generate point-of-interest content, and developed our own "Insider's Guide" to provide visitors with local experiences and insights.

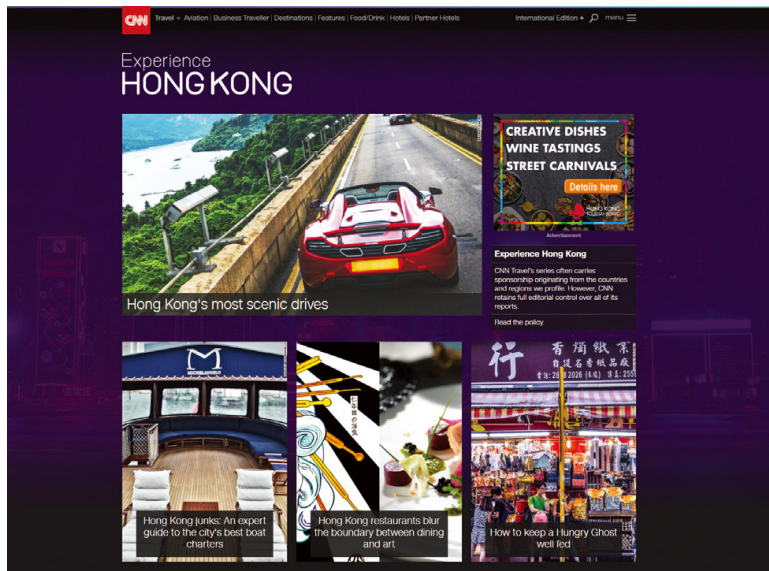
Highlights

- Page views of DiscoverHongKong.com: 92.4 million (up 41% year-on-year)
- Downloads of the "My Hong Kong Guide" app: over 155,000 (up 85.7% year-on-year)

We extended our marketing support to two other major campaigns: Hong Kong Summer Fun (p.21-25) and Happy@hongkong Super JETSO (p.57). Please refer to relevant sections for full details.

Public Relations

Creative and relentless public relations efforts are key to placing Hong Kong in the global spotlight. Pitching appealing content to media outlets with worldwide reach generated an enormous amount of positive coverage throughout the year, effectively communicating our messages to different target audiences.



Enriching the content

Hong Kong is a unique travel destination brimming with charm, and we spared no effort in telling the world amazing stories of what the city has to offer. To create media content that appeals to potential visitors, we facilitated a range of coverage that showcased the city from fresh perspectives and explored some of Hong Kong's hidden gems in less well-trodden neighbourhoods.

Partnering with online news portals

A new, dedicated travel page titled "Experience Hong Kong" was launched on CNNI.com, providing colourful monthly features that allow readers a glimpse of genuine Hong Kong. The highly original articles, together with regular updates on the city's key happenings, were very well-received. After its launch in January, the site recorded over two million page views in just three months.

Drawing in global, regional and local broadcasters

The HKTB hosted over 420 media visits in 2015/16, about 100 of which were turned into an array of television programmes by Discovery, National Geographic, BBC, CNN, MBC Korea, and other channels. The programmes accumulated hundreds of hours of air time across major broadcast channels and the internet, showcasing Hong Kong's best views and experiences.

TV coverage of Hong Kong broadcast around the world:

Channel	Programme
NBC (USA)	Better Late Than Never Reality show with Hollywood's celebrities
BBC 2 (UK)	Chinese New Year: The Biggest Celebration on Earth A special feature on CNY celebrations in Hong Kong
VOX TV (GERMANY)	Kitchen Impossible A famous German cooking show
27 TV channels (MAINLAND CHINA)	World Traveller A series showcasing various experiences in Hong Kong
JTBC (SOUTH KOREA)	Chef and My Fridge A cooking reality show
TBS (JAPAN)	King's Brunch Features Japanese boy band GENERATIONS from EXILE TRIBE's trip to Hong Kong as the Hong Kong Friendship Ambassador for 2015.
Star Plus Channel (INDIA)	YRKKH (Family Soap Drama) 7 episodes in India's top 3 most-watched TV dramas in 2016
Discovery Channel TLC (ASIA)	A Taste of Hong Kong (Season 2) 3 episodes on Hong Kong's exciting core experiences
CNBC (ASIA)	Art on Squawk 4-part series on Hong Kong's art scene



Extending our reach

In addition to working with online platforms and broadcasters, collaborating with global news agencies enabled the HKTb to present Hong Kong to a massive international audience, regardless of their media preferences.

Leveraging the reach of global news agencies

The HKTb established year-round collaboration with Getty Images and Reuters to promote the city's culture and activities on an event basis. Highlights included a photo series which captured Australian actor Hugh Jackman enjoying the Tai Hang Fire Dragon Dance. This approach effectively reached thousands of media outlets worldwide, generating tens of millions of dollars worth of publicity with higher-than-average return on investment.

Highlights

- Total publicity value in 2015/16: over HK\$4 billion

Please refer to p.21-25 to see more PR initiatives for promoting Hong Kong Summer Fun, our largest campaign in the year.





© Anthony Kwan/Getty Images



© Anthony Kwan/Getty Images



© Lam Yik Fei/Getty Images



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© Anthony Kwan/Getty Images



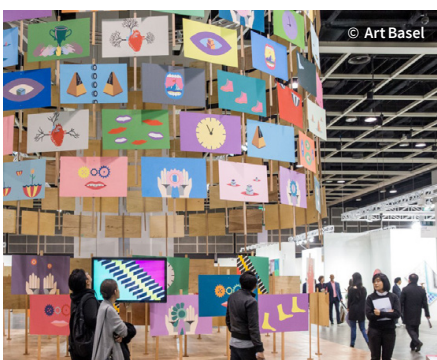
© Lam Yik Fei/Getty Images

Exciting Events

It is impossible not to fall in love with Hong Kong, as it boasts an exciting year-round calendar of events, which perfectly complement the innate charm of the city as a tourist destination. Whether you are a huge fan of food, arts and entertainment, sports, the great outdoors or living culture, the city's numerous events guarantee there is always something to suit your preferences.



Hong Kong Chinese New Year Celebrations



Hong Kong Arts Month



Hong Kong Cultural Celebrations



Hong Kong Dragon Boat Carnival



Hong Kong Cyclothon



Hong Kong Wine & Dine Month



Hong Kong WinterFest



Special Features



Support for Third-Party Events

Hong Kong Chinese New Year Celebrations

It is no exaggeration to say that Chinese New Year is the most important festival in Hong Kong, and its celebratory events provide a good window for visitors to experience the city's living culture. Hong Kong ushered in the Year of the Monkey with auspicious fireworks, adrenaline-pumping horse races, and thrilling lion and dragon dances. For the ultimate fiesta, the International Chinese New Year Night Parade continued to be an all-time favourite.

Cathay Pacific International Chinese New Year Night Parade

An explosion of colours and excitement flooded through the streets of Tsim Sha Tsui on the first day of Chinese New Year when 35 floats and performing troupes from 10 countries and regions partied on a flamboyantly decorated route. Over 150,000 spectators lined the streets in this “Playground of the World • Party of the Year” as the city embraced its carnival spirit for the 21st year.

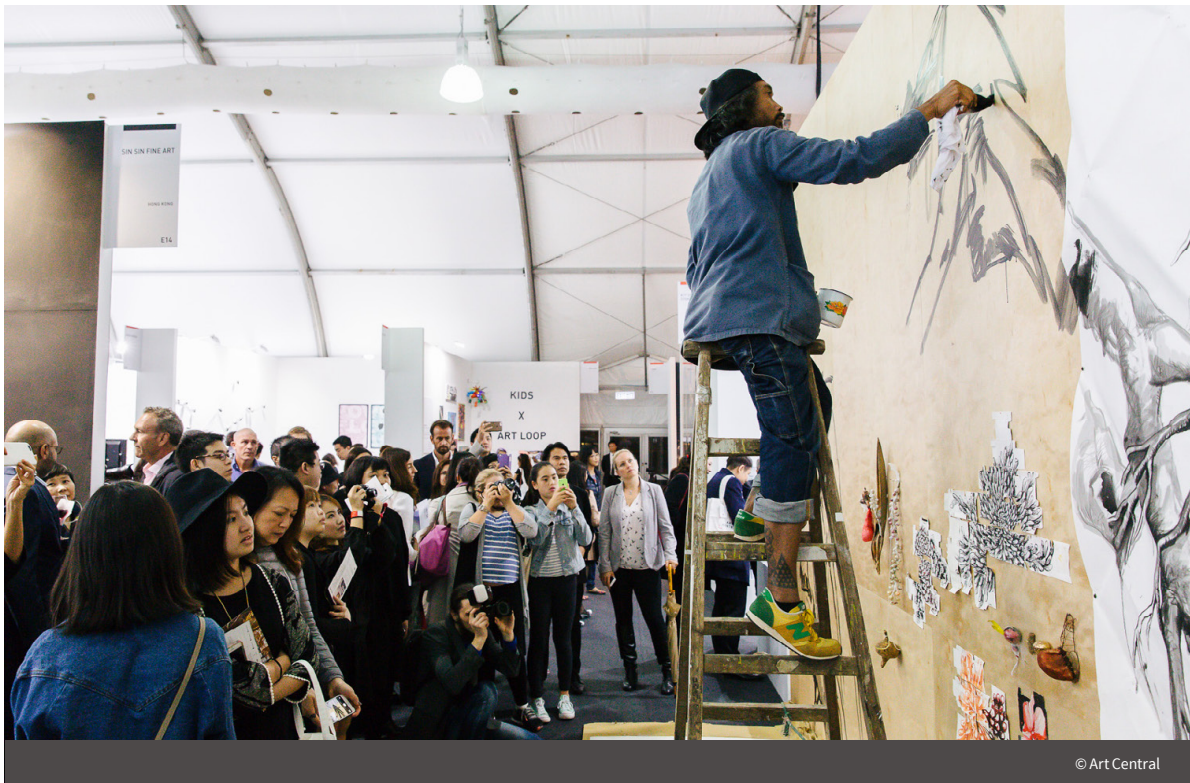
For the first time ever, we arranged a BBC presenter to get on the HKTB float to experience and share with his audience what was it like to be a part of one of the world's best Chinese New Year celebrations.

International Chinese New Year Night Parade was title-sponsored by



Hong Kong Arts Month

There is no better time to experience Hong Kong's reputation as Asia's Arts Hub than March, when various arts and cultural extravaganzas serve up an exceptional spectrum of exhibitions, performances and workshops. In 2015/16, in addition to supporting the promotion of such events as Art Basel, the Hong Kong Arts Festival, Art Central, the Asia Contemporary Art Show and the HKwalls Street Art Festival, we collaborated with galleries and travel platform Klook to present gallery walks designed to showcase a taste of the lesser-known appeal of the city.



Hong Kong Cultural Celebrations

May is an especially eventful month as the city celebrates four traditional festivals – the Cheung Chau Bun Festival and the birthdays of Tin Hau, Buddha and Tam Kung – with flashy rituals and street performances. Bundling the four festivals in our promotions allowed us to introduce them to visitors more efficiently via different channels and guided tours.



Hong Kong Dragon Boat Carnival

The annual Hong Kong Dragon Boat Carnival offers both the excitement of paddling and a party vibe. In the 2015/16 edition, over 160,000 spectators flocked to the Victoria Harbourfront to witness 4,000 athletes from 143 clubs worldwide battling it out in the CCB (Asia) Hong Kong International Dragon Boat Races. In East Tsim Sha Tsui, the San Miguel BeerFest offered a welcome spot to cool down and chill out, complete with cold beer, live music performances and plenty of other entertainment.



Hong Kong International Dragon Boat Races were title-sponsored by



中国建设银行(亚洲)
China Construction Bank (Asia)

Official Beer of Hong Kong
Dragon Boat Carnival



Hong Kong Cyclothon

The action continued with the debut of the Sun Hung Kai Properties Hong Kong Cyclothon, which attracted 100 professional cyclists from around the world eager to compete in the Union Cycliste Internationale-recognised criterium races. It also saw the iconic Tsing Ma Bridge opened for a cycling event for the first time, treating the 1,700 participants in the 35km Challenge Ride to breathtaking views during the race.

To promote a city-wide passion for sports and the spirit of charity, the line-up also featured the Kids & Youth Rides, Family Fun Ride, 10km Community Ride and CEO Charity Ride. The money raised was donated to several charitable organisations for developing children and youth welfare programmes.



Hong Kong Cyclothon was
title- and charity-sponsored by



Hong Kong Wine & Dine Month

Since its inception, Hong Kong Wine & Dine Month has made autumn an even more enticing time to visit Hong Kong. It celebrates the city's superb gastronomic scene, and features an array of epicurean events and mouth-watering offers.

Hong Kong Wine & Dine Festival

Headlining the month-long fiesta was the four-day CCB (Asia) Hong Kong Wine & Dine Festival, the seventh and largest-ever edition. It was decked out as a lush garden at the Central Harbourfront Event Space to evoke a relaxed atmosphere, and included expanded food selections and several new themed zones, including one dedicated to whisky and craft beer, and two others – Star Avenue and Gourmet Trail – for sampling creations by chefs from Michelin restaurants in France and Hong Kong.

The Festival also presented masterpieces by winning chefs in the 2015 Best of the Best Culinary Awards. This special opportunity to showcase their excellence was part of the promotion we facilitated after they won the annual cooking competition, which we have organised since 2001 to acknowledge top Chinese culinary talent and establishments throughout Hong Kong.



Highlights

- Total attendance at the Hong Kong Wine & Dine Festival: 144,000
- Number of wine (from 23 countries and regions) and food booths: 349

Hong Kong WinterFest

As the mercury drops and Christmas approaches, more and more of Hong Kong's buildings and malls get dressed up with dazzling decorations and illuminations for an exceptionally romantic ambience. In addition to exclusive events at top attractions, special shopping offers and festive menus, the 2015 edition was unique in that visitors were invited to enjoy the "Sparkling BVLGARI Roman Holiday" at Statue Square and send their loved ones bespoke greeting cards for a charitable cause.

Hong Kong New Year Countdown Celebrations

Hong Kong WinterFest reached its climax on the New Year's Eve of 2015 with the CTEG Hong Kong New Year Countdown Celebrations. The eight-minute fireworks display mesmerised 336,000 spectators on both sides of the Victoria Harbour, and many more who enjoyed it via satellite broadcast.



The Hong Kong New Year
Countdown Celebrations event
was title-sponsored by



Special Features

Hong Kong Pulse 3D Light Show

During three periods – Hong Kong Summer Fun, Hong Kong WinterFest and Chinese New Year – the façades of the Hong Kong Cultural Centre and the Former Kowloon-Canton Railway Clock Tower were transformed into massive canvases to present this immersive visual spectacle. The three shows attracted over 770,000 spectators, 52% of them overseas visitors.



Great Outdoors Hong Kong 2015

For six consecutive years, we have organised Great Outdoors Hong Kong to promote the city's green attractions. In addition to recommending hiking and cycling routes on our official website, we published a handy Activities Guide, providing visitors with comprehensive information on how to best experience the routes.



© Hong Kong Discovery

Support for Third-Party Events

Hong Kong takes pride in being Asia's top destination for hosting events of all kinds. In addition to organising our own events, the HKTb provided promotional support to organisers of various local and international happenings, including the Tai Hang Fire Dragon Dance, Hong Kong Open 2015, Clockenflap Music and Arts Festival, Hong Kong International Races, and Hong Kong Marathon 2016 to name a few.



Tai Hang Fire Dragon Dance (September 26-28, 2015)

We worked with the event organiser to arrange a special appearance of Australian actor Hugh Jackman at the bad-luck-ridding ritual, which gained a lot of publicity worldwide.

Hong Kong Open 2015 (October 22-25, 2015)

We worked with trade partners to launch a four-day, three-night special-interest tour, bringing in South Korean visitors to witness the tournament.



© Hong Kong Open

Clockenflap Music and Arts Festival

(November 27-29, 2015)

The popular local festival boasted an impressive three-day line-up in its eighth edition, which received strong promotional support, including effective KOL campaigns, via our digital and social media platforms.



© Clockenflap Hong Kong's Music and Arts Festival



Hong Kong International Races

(December 13, 2015)

We generated a lot of global attention for one of the most anticipated meetings in Hong Kong's horse racing calendar via our social media platforms.

Hong Kong Marathon 2016

(January 17, 2016)

We recruited over 1,200 overseas runners by collaborating with travel agents worldwide to attract potential participants with appealing packages and deals.



Trade Partnership

The HKTb places special emphasis on facilitating funding, engagement and mutual support for all our travel trade partners to help them reach their full potential in their fields of expertise, which in turn benefits the whole industry.

Matching Fund for Overseas Tourism Promotion by Tourist Attractions (MFTA)

The challenges in 2015 prompted the Government to allocate additional resources for the HKTb to set up the MFTA. The scheme subsidised 50% of the marketing and promotional costs of each approved proposal to encourage local attractions to develop distinctive tourism initiatives to draw more high-spending overnight visitors to Hong Kong. It also doubled as a great incentive for attractions to build new partnerships among themselves.

Highlights

- Between November 2015 and March 2016, 62 promotional programmes were rolled out with the support of the scheme.
- Some of the 12 joint promotions were the result of a collaborative effort by as many as seven attractions.

Proactive engagement and networking with trade partners

Mega familiarisation tours

We believe enjoying Hong Kong first-hand is important for nurturing overseas partners who can promote the city with passion, so we organised four rounds of family-oriented familiarisation trips during the summer months for representative agents from nine markets to experience Hong Kong first-hand with their family members. In October, 70 key travel trade partners from such markets as Japan, Singapore and Thailand took part in a four-day Wine & Dine Festival mega familiarisation trip to experience the city's diverse offerings for themselves.

Trade shows and events

The year-round trade networking events we organised, including Contract Hong Kong and travel missions to selected markets, benefited our local partners and overseas buyers from at least eight countries – the USA, Australia, New Zealand, South Korea, Japan, Malaysia, the Philippines and Thailand – with deeper knowledge about Hong Kong as a travel destination and useful business connections. By taking part in the 2015 International Travel Expo (ITE), we were able to reach nearly 90,000 visitors from the trade and the public with some of the most exclusive offers and special packages.

Highlights

- Our trade networking events helped participating local trade partners to meet with nearly 1,000 overseas buyers.
- About 4,000 business appointments were generated.



Funds for original tour ideas

One of the best ways to boost Hong Kong's tourism appeal is to keep offering new experiences and attractive itineraries. Thanks to the New Tour Product Development Scheme (NTPDS), a number of our local travel trade partners were able to perk up their product variety by creating tours that offer a unique experience for visitors to the city. Non-funded applicants were encouraged to use our "Explore Hong Kong Tours" platform as a marketing and promotional channel for their new products.

Highlights

- 5 rounds of applications since the NTPDS was launched.
- 26 new products rolled out successfully.
- Around 40,000 visitors attracted to Hong Kong by the NTPDS.



Spending spree

To stimulate retail spending by both locals and tourists, we keenly supported the city-wide "Happy@hongkong Super JETSO" campaign, organised by the Quality Tourism Services Association (QTSA). The five-week shopping and dining promotion featured attractive offers from about 16,500 retailers and restaurants across the city. Consumers could easily identify the participating merchants by the eye-catching decal on their shop front, and an upbeat television commercial starring veteran pop group Grasshopper was produced to spread the news.

Highlights

- Over 2,500 TV spots to maximise awareness.
- 1.1 million page views and 53 million impressions.



MICE Business

Meetings, Incentives, Conventions and Exhibitions (MICE) are an important part of Hong Kong's tourism industry. During the year under review, overnight MICE arrivals reached 1.72 million and their per-capita spending exceeded HK\$8,400, 16% higher than that of other visitors. As our Meetings and Exhibitions Hong Kong (MEHK) office continues to thrive with its all-round strategy, we are confident in keeping the momentum going.

Partnership building

Global connections

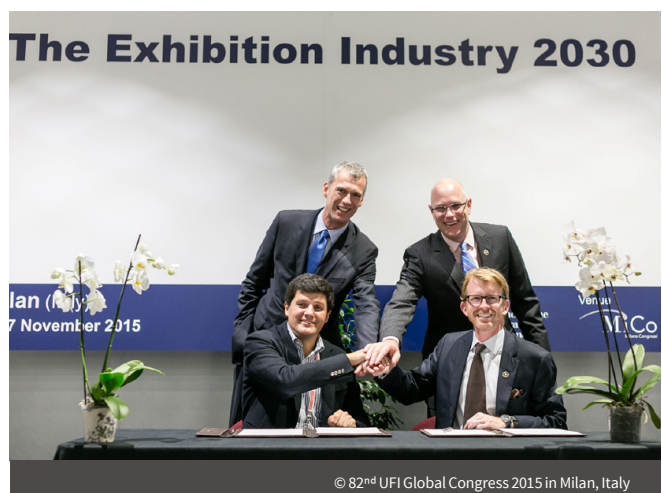
Collaboration with the American Society of Association Executives (ASAE), Global Conference Network (GCN), HelmsBriscoe (HB), International Association of Professional Congress Organisers (IAPCO) and other partners allowed us to leverage their communication platforms, such as e-channels, annual events and industry conferences, for networking and enhancing Hong Kong's profile.

Ties with the Mainland

For the Mainland market, we identified industry-specific associations with offices based in Beijing and Shanghai, and organised a study mission with associations in the science and technology fields to pave the way for major conventions and conferences to be held in Hong Kong in the future.

Exhibition partners

To uphold the city's image as the "Trade Fair Capital of Asia", we also organised joint promotions with key industry players, including AsiaWorld-Expo, the Hong Kong Convention and Exhibition Centre, the Hong Kong Exhibition & Convention Industry Association and the Hong Kong Trade Development Council, at overseas industry events, such as the UFI Congress and Global CEO Summit.





Outreaching

In addition to hosting travel missions, road shows, corporate seminars and B2B marketing programmes overseas, MEHK reached out to buyers, corporations and MICE travel agents through our participation in international trade shows and events, such as Incentive Travel & Conventions, Meetings (IT&CM) in the Mainland, IMEX in Germany and the US, and SATTE in India.



Showcasing

As part of our strategic partnership with various industry associations, we hosted a number of study missions, familiarisation tours and Contract Hong Kong events to showcase Hong Kong's MICE products, venues and the latest developments to overseas trade partners.

We continued to motivate top travel agents by enhancing the MICE Top Agent Awards Programme. In 2016, 50 top agents from the Mainland, India and Indonesia attended the award presentation ceremony and learned about the latest MICE offers in Hong Kong.



Bidding for new opportunities

In the 2014/15 financial year, the Government earmarked additional funding to the HKTb for three consecutive years. With this funding, MEHK has been aggressively bidding for international MICE events which are of large scale or have high strategic value in enhancing the Hong Kong brand.

In 2015/16, Hong Kong won over 50 major bids, including a number of prestigious medical conventions and corporate meetings, generating about 100,000 overnight MICE visitors. They include the following:

- Nu Skin Greater China Regional Convention 2016 (20,000 pax)
- Asia Pacific Digestive Week 2017 (3,000 pax)
- International Conference on Oral and Maxillofacial Surgery 2017 (2,000 pax)
- 46th International Congress on Noise Control Engineering (Inter-Noise) 2017 (1,200 pax)
- World Recycling Convention & Exhibition 2017 (1,200 pax)
- World Psychiatric Association World Congress of Psychiatry 2020 (5,000 pax)

We invested additional resources to attract new small- to medium-sized MICE events with a view to bringing in more MICE visitors. A successful case is Worlddidac Asia, Hong Kong, which has confirmed that it will stage three editions in Hong Kong.

RISE Hong Kong 2015 staged its inaugural show in Hong Kong, and the 6th World Glaucoma Congress, iFX Expo Asia, and Hexagon LIVE Hong Kong 2015 were all held in Hong Kong for the first time. We also facilitated some new exhibitions, such as the International Design Furniture Fair Hong Kong and Mineral & Gem Asia.



© RISE Conference

© 6th World Glaucoma Congress

Driving international ship deployment by boosting regional synergy

Riding on the success of the Asia Cruise Fund (founded in 2014) and Xiamen's entry since January 2016, we elevated the alliance into the Asia Cruise Cooperation (ACC), providing a one-stop platform to support cruise lines' development in Asia and reflecting our commitment to maximise the growth of cruise tourism in Asia.

We announced the exciting news of the ACC's establishment at Seatrade Cruise Global 2016 in Florida. The annual event, attended by over 11,000 delegates, exhibitors, key cruise executives and media from around the world, has for years proven to be a great occasion for us to showcase Hong Kong's cruise tourism offerings to the world. We also attended other international and regional cruise industry events to increase Hong Kong's exposure.

Highlights

- Total ship calls: 142
- Passenger throughput (visitors only): 746,000



Anchoring a bright future

The continual increase in the number of world-class cruise arrivals in Hong Kong is a promising sign that cruise lines are recognising our city as a prime port option in Asia's fast-growing cruise travel market.

Some of the world-class cruise ships to have graced our port include *Quantum of the Seas*, which is the largest cruise ship ever to have berthed in Hong Kong waters. We celebrated its maiden call in June 2015, and it revisited six months later for a mini homeport season.

And for the first time, *Voyager of the Seas* made Hong Kong its homeport for three months from July 2015, hosting more than 50,000 guests on 17 sailings.



© Royal Caribbean Cruises Hong Kong Ltd.

Top-Notch Service

Excellent visitor services make a world of a difference to a tourist's experience. That is why we task ourselves to lead the tourism industry, the retail sector and the whole community towards one common goal: to cultivate Hong Kong as a hospitable destination that will earn a special place in every visitor's heart.

Outstanding Quality Tourism Services (QTS) Merchant & Service Staff Awards

This award is our endeavour to recognise outstanding merchants and their frontline staff for setting an example of exceptional service. It is intended to serve as an incentive for them to keep up their effort and to inspire a city-wide hospitable culture. There are currently over 1,000 QTS merchants around town, which can be easily identified by the smartly designed decal displayed on the front of their 8,183 outlets.



Wider reach, higher commitment

The Concierge Hotline, operated by our visitor information and services team, extended its service to benefit more travel trade partners in handling client enquiries. As of March 2016, the Concierge Hotline supported a total of 96 subscribers – compared with 80 in the previous year, consisting of 84 hotels, eight shopping malls and, more recently, four QTS-accredited visitor accommodation providers.

Enhanced and personalised services

Charitable souvenirs

A strong tourism industry requires a city-wide commitment, and during the year, a contribution from one of the least expected segments of the community proved to make a difference. A collection of locally inspired souvenirs we launched in collaboration with the Mental Health Association of Hong Kong and New Life Psychiatric Rehabilitation Association have been very well received since we started selling them at our Visitor Centres in July 2015. Handcrafted by people with disabilities who are members of the two non-governmental organisations, the one-of-a-kind souvenirs both created job opportunities and helped keep tourists' fond memories of Hong Kong alive.

Notable hospitality

The Hong Kong Pals programme recruits only the most passionate volunteer ambassadors to ensure visitors are introduced to our city in a genuine and in-depth manner. Visitors can trust them for insider tips to enjoying a memorable, hassle-free journey. Please refer to p.71 for more details.



Highlights

- Visitor Centres: served 2 million guests
- Contact Centre: handled 16,000 phone calls or email enquiries
- Response time: 97% of incoming calls answered within 20 seconds

Multi-Destination Travel

The strategic alliances we nurture with our neighbouring cities are crucial in promoting multi-destination travel and boosting tourists' desire to visit the region. We sparked great chemistry with some of our latest collaborators – Taiwan, Zhuhai and Macao – and look forward to working with more destinations soon.

Debut partnership with the Taiwan Tourism Bureau (TTB)

By cooperating for the first time with the TTB, we hope to boost leisure travel arrivals from North America and create new business opportunities for both destinations. In March 2016, we showcased the tourism offerings of Hong Kong and Taiwan to close to 200 airlines, trade and media representatives who attended our promotional receptions in Toronto and New York.



Strengthening the Hong Kong-Zhuhai-Macao cooperation

We anticipate that the imminent completion of the Hong Kong-Zhuhai-Macao Bridge will strengthen the connection between the three cities, so we took the initiative to sign a tourism cooperation agreement early on with the Zhuhai Culture, Sports and Tourism Bureau, and the Macao Government Tourism Office. We also organised a mega familiarisation trip in June 2015 to provide our Indian trade partners and their family members with an opportunity to experience an exciting multi-destination itinerary featuring Hong Kong and Zhuhai.



Ching's Amazing Asia

Chef-host Ching-he Huang's vibrant coverage of Guangdong, Hong Kong and Macao was an excellent testimony of what the concerted effort of multiple destinations could achieve. All three cities facilitated and contributed to the filming, presenting the crew with the best offerings in the region, which were ultimately introduced to the audience of Huang's popular television show, broadcast in the United Kingdom and other long-haul markets in January 2016. For more details, please refer to p.39.







TOURISM & THE COMMUNITY

FUELLING PASSION THROUGH COMMUNITY ENGAGEMENT

Tourism is a vital part of the Hong Kong economy, and we work closely with groups and businesses throughout Hong Kong to achieve our common mission of providing a quality tourism experience.

Tourism & The Community

The tourism industry involves everyone in the community of all ages and walks of life. The success of the industry depends heavily on nurturing a city-wide culture of excellent service and hospitality. Just as there is always something interesting to be discovered in every corner of the city, everyone in the community can act as a friendly tourism ambassador.

In 2015/16, we organised and supported a wide range of initiatives with the aim of encouraging the general public to proactively contribute to the tourism industry, which is one of the four pillar industries of Hong Kong's economy.

“Let’s be generous hosts”

In early 2016, we were honoured to have Financial Secretary Mr John Tsang star in a catchy tourism promotion video. In the two-minute video, Mr Tsang offers a glimpse of his humorous charisma, while at the same time calling for all members of the public to warmly welcome visitors from all over the world.

Sprinkled with witty puns and light-hearted banter, the video evokes a sense of belonging to Hong Kong. It was met with a positive response after its debut in April on various television stations and our “Discover Hong Kong” YouTube channel. Accompanied with a powerful theme song performed by veteran singer Mr George Lam, the video is a constant reminder for all Hong Kong citizens to be welcoming hosts.



Calling for tourism enthusiasts

Every year, passionate citizens, including retirees, apply for the Hong Kong Pals Programme to provide highly personal assistance to tourists at our Visitor Centres. The low volunteer turnover rate and the highly positive feedback from travellers about the volunteer ambassador programme are testimony to how successful it has been since we launched it in 2009.

About a dozen of new pals are recruited each year to keep the variety of skills and knowledge the team offers fresh. In addition to performing their regular duties providing information to visitors, they boost visitors' experience by offering seasonal treats. During the Lunar New Year, for instance, there were customised fai chun writing demonstrations, and goldfish crafts made from lai see packets were handed out to get visitors in the festive atmosphere.

Drawing on the talent and enthusiasm of our volunteers, we further enhanced the programme with a "Meet the Pals" element, offering themed presentations hosted by experts on different topics for travellers with specific interests in mind.

Some words of appreciation for the Hong Kong Pals Programme travellers posted on TripAdvisor:



"We stayed in Hong Kong for Chinese New Year, and the staff at the [Visitor Centre] were amazingly helpful! They had a calligraphy artist there who designed personalised paintings for my parents and me, which was such a nice gesture. We will definitely take them back home and frame them!"



"My wife and I met with an HKTb volunteer to explore the 'Real treasures in Sham Shui Po'. Our volunteer, Ernest, was personable and extremely knowledgeable. What made the experience great was his willingness to answer all our questions and provide us with a local's invaluable insight on transportation, dining, etc."



"On my recent trip to HK, I met up with a representative assigned by HKTb to lead a tour titled 'Taking stunning photos in HK'. My one-hour session with Dr Michael Li and the staff at the Peak was immensely appreciated. They were very helpful in pointing out places where an enthusiast photographer would go. On my next visit, I'm looking forward to seeing some of the areas I missed on this trip."



Educating young people to support Hong Kong tourism

The HKTB believes that devotion to the tourism industry starts from a young age. Through talks and workshops, the HKTB encourages young people to strive constantly to perfect the city's tourism quality and image.

During the year, we organised talks at various tertiary institutes to share with students our strategic plans in marketing and public relations to promote Hong Kong as a world-class destination.

Students from The Hong Kong Polytechnic University's School of Hotel & Tourism Management and business students majoring in Tourism and Event Management at Hong Kong Baptist University's School of Continuing Education were among some of the groups the HKTB reached out to in 2015/16.

To better equip the Hong Kong Young Ambassadors, selected annually by The Hong Kong Federation of Youth Groups and the Tourism Commission, the HKTB held workshops to keep them informed of our work and help them develop skills for serving visitors.



Enhancing and recognising Hong Kong's tourism quality

Excellent customer service that contributes to a welcoming experience is vital for the tourism industry. By honouring the dedication of frontline staff and other industry players to upholding the city's image, the HKTB promotes a culture of service excellence among industry members.



The HKTB appointed the winner of the Immigration Department's 2015 Most Courteous Immigration Control Officer Election as the Hong Kong Courtesy Ambassador.



The HKTB participated in the judging of *Next Magazine's* Top Service Awards, which recognise the efforts of enterprises and employees in providing excellent customer service.

To acknowledge airport staff who provide visitors with top-notch service, HKTBC Chairman Dr Peter Lam attended and presented prizes at the award ceremony for the 2015 HKIA Customer Service Excellence Programme.



The HKTBC is also a long-time supporter of the Customer Service Excellence Award, which is held annually by the Hong Kong Association for Customer Service Excellence (HKACE).

To commend the excellent performance of local shopping malls, HKTBC Chairman Dr Peter Lam attended the presentation ceremony of Hong Kong Economic Times' Shopping Mall Awards 2015/16.



Encouraging collaborations across industries

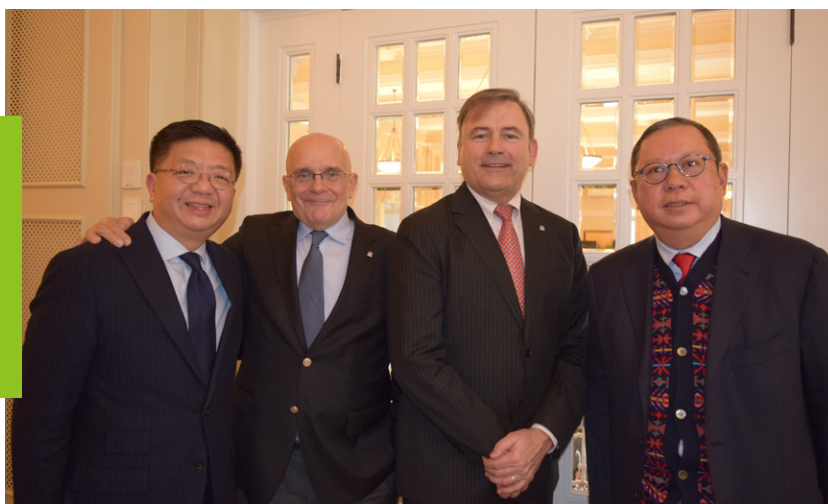
The ability to cultivate relationships and generate creative ideas is just one of the reasons the HKTb is so keen on collaborating with different sectors. In 2015/16, the HKTb continued to maintain close ties with a number of industry partners.

HKTb Executive Director Mr Anthony Lau attended the “2015 Seminar on Strengthening Hong Kong-Zhuhai Cooperation” as a guest speaker to share his views on fostering closer tourism collaboration among cities in the Pearl River Delta.



HKTb Chairman Dr Peter Lam gave an overview on HKTb's investment and marketing strategies at a tourism forum organised by the Hong Kong General Chamber of Commerce and China Tourism Academy.

The HKTb also continued to strengthen its ties with influential investors and stakeholders, including Morgan Stanley, the American Chamber of Commerce and the Hong Kong French Chamber of Commerce through regular meetings.







AWARDS & ACHIEVEMENTS

FUELLING MOTIVATION THROUGH INTERNATIONAL RECOGNITION

The HKTB strives to be a creative and effective tourism organisation. Here is a list of international awards acknowledging the organisation's achievements in 2015/16.

Destination – Hong Kong

- Asia's Best City for Business Events, CEI Readers' Choice Awards 2016, *CEI Asia* magazine
- Best Business City in Asia, 2015 Best in Travel Poll, *Smart Travel Asia* magazine
- Best Business City in Northeast Asia and Best Business City in the World, Business Traveller Asia-Pacific Awards 2015, *Business Traveller Asia-Pacific* magazine
- Best Food Destination, India's Best Awards 2015, *Travel + Leisure* magazine
- Favourite Business City in the World, Business Traveller China Awards 2015, *Business Traveller China* magazine
- World's Leading City Break Destination, Asia's Leading City Break Destination and Asia's Leading Meetings & Conference Destination, World Travel Awards 2015

Hong Kong Tourism Board

1 Organisation

HKTB

- Asia's Best Convention Bureau, CEI Readers' Choice Awards 2016, *CEI Asia* magazine

2 Marketing Initiatives

2015 Hong Kong Tourism Overview

- Bronze Award in the "Videos & DVD: Stakeholder Communications" category, Galaxy Awards 2015

DiscoverHongKong.com

- Gold Award in the "Marketing Media – Web Site" category, PATA Grand and Gold Awards 2015
- Silver Award, Web Accessibility Recognition Scheme 2015
- Silver Award in the "Redesign/Relaunch: Non-Profit Organisation" category, iNOVA Awards 2015
- Bronze Award in the "Websites: Redesign/Relaunch" category, Astrid Awards 2015
- Bronze Award in the "Websites/Emerging Media: Redesign/Relaunch/Media" category, Mercury Awards 2015/16
- Bronze Award in the "Mobile Media: Mobile Sites" category, Questar Awards 2015

Discover Hong Kong Facebook Fan Pages

- Gold Award in the "Facebook Page" category, Astrid Awards 2015
- Silver Award in the "Social Media: Facebook" category, Mercury Awards 2015/16
- Silver Award in the "Marketing: Facebook" category, iNOVA Awards 2015

"Facebook on Steroids!" campaign in the United States

- Silver Award in the "Destination Marketing – Web Marketing/Advertising" category, 2015 Travel Weekly Magellan Awards

Hong Kong Insider's Guide

- Bronze Award in the "Websites/Emerging Media: Travel/Destination" category, Mercury Awards 2015/16
- Honours Award in the "Non-Profit Organisation" category, Astrid Awards 2015
- Honours Award in the "Mobile Media: iPad App" category, Galaxy Awards 2015

"My Hong Kong Guide" mobile app

- Gold Award in the "Marketing Media – Mobile Travel Application" category, PATA Grand and Gold Awards 2015
- Best m-Government Service Award in the "International – Tourism" category, United Arab Emirates Government
- Silver Award in the "Promotion: New Product Introduction" category, Galaxy Awards 2015
- Bronze Award in the "Non-Profit Organisation" category, Astrid Awards 2015
- Bronze Award in the "Best Use of Apps" category, MARKies Awards 2015
- Honours Award in the "Promotion: Product Launch" category, Astrid Awards 2015

“My Time For Hong Kong” campaign

- Gold Award in the “Marketing: Primary Government Destination” category, PATA Grand and Gold Awards 2015
- Silver Award in the “Campaigns” category, Astrid Awards 2015

New Year Countdown Celebrations

- Honours Award in the “Promotion: Special Project” category, Galaxy Awards 2015

“Next Stop, Hong Kong” campaign in Taiwan

- Gold Stevie Award in the “Marketing Campaign of the Year - Transportation & Travel/Tourism/Destination” category, 2015 International Business Awards

The HKTb social media platforms

- Bronze Award in the “Social Media: Social Media Platforms” category, Mercury Awards 2015/16

“Turbocharging Travelzoo!” campaign in the United States

- Gold Award in the “Destination Marketing – Web Marketing/Advertising” category, 2015 Travel Weekly Magellan Awards
- Silver Award in the “Integrated Market Campaign for Consumers” category, 2015 HSMAI (Hospitality, Sales and Marketing Association International) Adrian Awards

“Virtuoso 2014 Marketing Blitz” campaign in the United States

- Silver Award in the “Complete Campaign – Consumer/Group Sales/Travel Trade” category, 2015 HSMAI (Hospitality, Sales and Marketing Association International) Adrian Awards

Weibo social media account

- First in “Top 10 Social Media Account of Travel Destinations” and fourth in “Top 10 Influential Official Travel Destination Weibo Account Outside Mainland”, Sina Weibo

3 Public Relations Initiatives

“A Taste of Hong Kong” regional campaign (Season 1 & 2)

- Gold Award in “Excellence in Public Relations”, Marketing Excellence Awards 2015

Esquire presents “Eat Like A Man” in Hong Kong video series in the United States

- Bronze Award in the “Multimedia (Video, Flash, Animation) Series” category, 2015 HSMAI (Hospitality, Sales and Marketing Association International) Adrian Awards

“Follow Me to Discover Hong Kong” campaign

- Grand Award in the “Marketing” category, PATA Grand and Gold Awards 2015
- Gold Award in the “Campaigns” category, Astrid Awards 2015

HKTb Annual Report 2013/14

- Gold Award in the “Tourism” category, International ARC Awards 2015
- Gold Award in the “Annual Reports – Overall Presentation: Tourism” category, Mercury Awards 2015/16
- Citation for Design, 2015 HKMA Best Annual Reports Awards

Issue management case: “Relocation of the Hong Kong Wine & Dine Festival – How the Hong Kong Tourism Board upheld its corporate image in the face of a crisis”

- Bronze Award in the “Crisis or Issues Management Campaign of the Year” category, PRWeek Awards Asia 2015
- Bronze Award in the “Best Engagement - Mass Community” category, Marketing Magazine PR Awards 2015

4 Trade Programmes

HKTb BOOTH

- Best Booth Design Award, Korea World Travel Fair

Hong Kong Specialist Revamp Project

- Gold Award in the “Websites: Training Program” category, Galaxy Awards 2015

5 Visitor Services

Airport Authority Hong Kong – “Give Me 5 in the Airport” campaign: “Government and related bodies” category

- Most Helpful Company
- Most Helpful Staff: Janice Chan Chung-yee, Chung Man-cheng, Arthur Ho Kong-sang and Kaelyn Lee Hoi-ki

Asia Pacific Customer Service Consortium – Customer Relationship Excellence (CRE) Awards 2014

- Customer Service Team Leader of the Year (Service Centre): Sue Man Chau-ling

Hong Kong International Airport – Customer Service Excellence Programme 2014/15

- Individual Award: Joeie Wong Yuen-wai and Angel Chum Pak-lin
- Corporate Excellence Award: Windy Chiu Shuk-yi and Janice Chan Chung-yee





CORPORATE INFORMATION

FUELLING ACCOUNTABILITY THROUGH STRONG CORPORATE GOVERNANCE

We are transparent and accountable in everything we do, and we meet our corporate responsibility expectations in full.

Corporate Governance

As a Government-subvented 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 four times a year, 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 four times a year, 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 four times a year, 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 2016

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)	6/6	4/4	5/5	4/4	3/3	2/2
Ms Florence Chan (i)	0/1				1/1	
Ms Winnie Ng (ii)	5/5	4/4			1/2	
Mr Benjamin Chau	4/6	4/4		4/4*		
Mr Michael Wu	5/6	4/4				2/2
Ms Linda Yuen	5/6	3/4	5/5			
Sir Wayne Leung	6/6		5/5*			
Mr Perry Mak	6/6	4/4		4/4		
Ms Yip Wing-sie	3/6		4/5			
Mr T C Chan	6/6				3/3*	
Ms Nansun Shi	3/6		3/5			
Mr Winston Chow	4/6		2/5			1/2
Mr Barry D. Nassberg	6/6	4/4*			3/3	
Mr Paulo Pong	5/6		5/5			1/2
Ms Winnie Tam	3/6			1/4		1/2
Mr Victor Chan	5/6			4/4		
Mr James Tong	5/6	3/4				
Ms Belinda Yeung	5/6		2/5			0/2
Mr Thomas J. Wu	4/6		2/5		2/3	
Mrs Carrie Yu (iii)	4/5				2/2	
Ms Jeny Yeung (iv)	1/1	N/A~			N/A~	

(i) Appointment and Chairman of Audit Committee until 31 July 2015.

(ii) Appointment and Chairman of Marketing & Business Development Committee until 29 February 2016.

(iii) Appointment effective from 1 August 2015.

(iv) Appointment effective from 1 March 2016.

* Committee Chairman as at 31 March 2016.

~ Appointed as a member of Marketing & Business Development Committee and Audit Committee with effect from 22 March 2016. There was no meeting held from 22 to 31 March 2016.

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-subvented 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 2016, the total HKTB headcount numbered 377, of whom 133 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
- Advisory Council of Asian Federation of Exhibition & Convention Associations
- Aviation Development and Three-runway System Advisory Committee
- Chinese Culinary Institute Training Board, Vocational Training Council
- Committee on Shopping-related Practices, Travel Industry Council of Hong Kong
- 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
- Quality Taxi Services Steering Committee, Transport Department
- 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)





WORLDWIDE OFFICES & REPRESENTATIVES

FUELLING ACHIEVEMENT THROUGH A WIDE-REACHING GLOBAL NETWORK

The HKTB has offices across the globe to accomplish our marketing strategies.

Head Office

Hong Kong

Worldwide Offices

Beijing, Shanghai, Guangzhou, Chengdu, Tokyo, 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

FUELLING DETERMINATION THROUGH STRINGENT FINANCIAL CONTROLS

We are determined to maintain an independent perspective on both our work and our accounts.

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 95 to 132, which comprise the consolidated and the Board statements of financial position as at 31 March 2016, 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 financial position of the Board and of the Group as at 31 March 2016 and of the Group's financial performance 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

28 July 2016

Consolidated Income Statement

for the year ended 31 March 2016 (Expressed in Hong Kong dollars)

	Note	2016	2015
General Fund			
Principal source of income	3		
Government subvention for the year		779,363,649	692,245,218
Other revenue			
Interest income		1,447,458	1,550,481
Realisation of deferred income — office premises	12	10,000,000	10,000,000
Sponsorships		28,503,043	24,188,517
Promotion and advertising income		12,457,542	10,070,477
Sundry income		26,315,132	19,064,789
		78,723,175	64,874,264
Other net (loss)/income			
(Loss)/gain on disposal of fixed assets		(268,936)	2,118
Total income		857,817,888	757,121,600
Promotional, advertising and literature expenses		370,396,388	284,681,987
Research and product development		14,545,828	14,755,462
Local services and events		155,451,680	136,369,024
Staff costs	5(a)	237,711,095	235,335,773
Rent, rates and management fees		16,334,583	16,713,269
Depreciation	7(a)	13,553,419	10,999,072
Auditor's remuneration		475,268	566,800
Other operating expenses		12,466,624	25,798,856
Total expenditure		820,934,885	725,220,243
Surplus before tax for the year	5	36,883,003	31,901,357
Income tax	4	(28,781)	(83,196)
Surplus for the year		36,854,222	31,818,161

The notes on pages 101-132 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2016 (Expressed in Hong Kong dollars)

	2016	2015
Surplus for the year	36,854,222	31,818,161
Other comprehensive income for the year:		
Items that will not be reclassified to the income statement:		
– Remeasurement of net assets of defined benefit plans	(3,202,000)	3,465,000
Total comprehensive income for the year	33,652,222	35,283,161

The notes on pages 101-132 form part of these financial statements.

Consolidated Statement of Financial Position

as at 31 March 2016 (Expressed in Hong Kong dollars)

	Note	2016	2015
Non-current assets			
Fixed assets	7(a)	44,119,057	50,733,703
Defined benefit retirement plan asset	13(a)(i)	47,575,000	51,872,000
		91,694,057	102,605,703
Current assets			
Debtors, deposits and payments in advance	9	22,006,223	23,748,587
Tax recoverable		11,866	-
Deposits with banks and financial institutions	10	281,763,109	224,123,173
Cash at banks and in hand	10	5,749,056	6,609,837
		309,530,254	254,481,597
Current liabilities			
Receipts in advance		35,165,382	31,058,682
Accounts payable and accruals	11	155,096,664	138,716,758
Deferred income	12	10,000,000	10,000,000
Current taxation		-	1,817
		200,262,046	179,777,257
Net current assets		109,268,208	74,704,340
Non-current liability			
Deferred income	12	21,666,667	31,666,667
NET ASSETS		179,295,598	145,643,376
Represented by:			
RESERVES			
General Fund	14	179,295,598	145,643,376

Approved and authorised for issue on 28 July 2016.

Anthony Lau

Executive Director

Dr Peter Lam Kin-ngok, GBS

Chairman of the Board

The notes on pages 101-132 form part of these financial statements.

Statement of Financial Position

as at 31 March 2016 (Expressed in Hong Kong dollars)

	Note	2016	2015
Non-current assets			
Fixed assets	7(b)	44,097,193	50,723,509
Defined benefit retirement plan asset	13(a)(i)	47,575,000	51,872,000
Interests in a subsidiary	8	551,876	551,876
		92,224,069	103,147,385
Current assets			
Debtors, deposits and payments in advance	9	21,148,860	23,156,118
Deposits with banks and financial institutions	10	281,763,109	224,123,173
Cash at banks and in hand	10	5,230,679	6,322,734
		308,142,648	253,602,025
Current liabilities			
Amount due to a subsidiary	8	229,340	1,733,711
Receipts in advance		35,165,382	31,058,682
Accounts payable and accruals	11	154,016,270	136,650,409
Deferred income	12	10,000,000	10,000,000
		199,410,992	179,442,802
Net current assets		108,731,656	74,159,223
Non-current liability			
Deferred income	12	21,666,667	31,666,667
NET ASSETS		179,289,058	145,639,941
Represented by:			
RESERVES			
General Fund	14	179,289,058	145,639,941

Approved and authorised for issue on 28 July 2016.

Anthony Lau
Executive Director

Dr Peter Lam Kin-ngok, GBS
Chairman of the Board

The notes on pages 101-132 form part of these financial statements.

Consolidated Statement of Changes in Reserves

for the year ended 31 March 2016 (Expressed in Hong Kong dollars)

	2016	2015
General fund at the beginning of the year	145,643,376	110,360,215
Surplus for the year	36,854,222	31,818,161
Other comprehensive income for the year	(3,202,000)	3,465,000
Total comprehensive income for the year	33,652,222	35,283,161
General fund at the end of the year	179,295,598	145,643,376

The notes on pages 101-132 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2016 (Expressed in Hong Kong dollars)

	Note	2016	2015
Operating activities			
Surplus before tax for the year		36,883,003	31,901,357
Adjustments for:			
Interest income		(1,447,458)	(1,550,481)
Depreciation		13,553,419	10,999,072
Loss/(gain) on disposal of fixed assets		268,936	(2,118)
Realisation of deferred income — office premises		(10,000,000)	(10,000,000)
Operating surplus before changes in working capital		39,257,900	31,347,830
Amount in defined benefit retirement plan asset recognised in the consolidated income statement	13(a)(v)	1,095,000	681,000
Decrease/(increase) in debtors, deposits and payments in advance		1,791,352	(4,631,539)
Increase in receipts in advance, accounts payable and accruals		20,486,606	57,018,548
Cash generated from operation		62,630,858	84,415,839
Overseas tax paid		(42,464)	(29,098)
Net cash generated from operating activities		62,588,394	84,386,741
Investing activities			
Interest received		1,398,470	1,492,515
Purchase of fixed assets		(7,488,912)	(8,531,493)
Proceeds from disposal of fixed assets		281,203	2,118
Increase in deposit with bank with maturity of more than 3 months		(70,577,804)	-
Net cash used in investing activities		(76,387,043)	(7,036,860)
Net (decrease)/increase in cash and cash equivalents		(13,798,649)	77,349,881
Cash and cash equivalents at the beginning of the year	10	230,733,010	153,383,129
Cash and cash equivalents at the end of the year	10	216,934,361	230,733,010

The notes on pages 101-132 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

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 and the Board. 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 2016 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 in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Board. However, none of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

(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 end of the reporting period.

(e) Investment in a subsidiary

A subsidiary is entity 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.

2 Significant accounting policies (Continued)

(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	Over the shorter of the fixed lease term and 5 years
— Motor vehicles	4 years
— Furniture, fixtures and other equipment	3–5 years
— Computer hardware, software and system development	3 years

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 asset) where the effect of discounting is material.

(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.

2 Significant accounting policies (Continued)

(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.

(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.

2 Significant accounting policies (Continued)

(m) Income tax (Continued)

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 MICE bidding 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 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.
- (iv) 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)).
- (v) Subscription fees are recognised on a time-apportioned basis.
- (vi) Interest income is recognised as it accrues using the effective interest method.
- (vii) Sponsorship income for the events is recognised in the income statement upon the completion date of the respective events.
- (viii) 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 end of the reporting period. 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.

(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.

2 Significant accounting policies (Continued)

(q) Employee benefits (Continued)

- (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.

(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.

2 Significant accounting policies (Continued)

(r) Related parties (Continued)

- (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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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:

	2016	2015
Recurrent		
– Subvention for the year	706,143,517	612,367,033
Non-recurrent		
– Meetings, Incentives, Conventions and Exhibitions Promotion/Wine and Dine Festival Promotion/Image Booster Campaign/3D Projection Mapping/Enhancement of Digital Offer Project/Enhancement of CNY Programme/New Year Countdown/Cruise Tourism Promotion in South China, Taiwan & India/Quality & Honest Promotion/Tencent Strategic Cooperation/Matching Fund for Overseas Tourism Promotion/Visitor Support Programme/Image Booster Campaign in Short Haul Markets/Cruise Promotion	73,220,132	79,878,185
	779,363,649	692,245,218

4 Income tax

Income tax in the consolidated income statement represents:

	2016	2015
Current tax – Overseas		
Provision for the year	28,781	83,196

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 (2015: 17%).

5 Surplus before tax for the year

The Group

(a) Staff costs

	2016	2015
Contributions to defined contribution retirement plans	7,945,852	8,539,038
Amounts recognised in respect of defined benefits retirement plans (note 13(a)(v))	1,095,000	681,000
Retirement costs	9,040,852	9,220,038
Salaries and other benefits	228,670,243	226,115,735
	237,711,095	235,335,773

(b) Other item

	2016	2015
Net foreign exchange gain	(3,211,981)	(699,421)

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:

	2016		
	Executive Director	Other senior executives	Total
Basic salaries	4,157,000	21,865,000	26,022,000
Discretionary performance pay	587,000	1,740,000	2,327,000
Retirement benefit expenses, contract gratuities and other allowances	640,000	4,272,000	4,912,000
	5,384,000	27,877,000	33,261,000

6 Senior executives' pay and allowances (Continued)

The Group (Continued)

	2015		Total
	Executive Director	Other senior executives	
Basic salaries	3,903,000	19,691,000	23,594,000
Discretionary performance pay	516,000	1,546,000	2,062,000
Retirement benefit expenses, contract gratuities and other allowances	603,000	4,967,000	5,570,000
	5,022,000	26,204,000	31,226,000

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:

Pay ranges	2016 No. of senior executive positions	2015 No. of senior executive positions
1 - \$500,001 to \$1,000,000	1	1
2 - \$1,000,001 to \$1,500,000 (note (a))	3	2
3 - \$1,500,001 to \$2,000,000	1	1
4 - \$2,000,001 to \$2,500,000 (note (b))	5	6
5 - \$2,500,001 to \$3,000,000 (note (b))	1	–
6 - \$3,000,001 to \$3,500,000	1	1
7 - \$3,500,001 to \$4,000,000	–	–
8 - \$4,000,001 to \$4,500,000 (note (c))	–	1
9 - \$4,500,001 to \$5,000,000 (note (c))	1	–
	13	12

Notes: One senior executive position was vacant in 2015/16.

6 Senior executives' pay and allowances (Continued)

The Group (Continued)

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) Senior executive position under Pay range 2 increased by 1 due to one senior executive position was added during 2015/16.
- (b) One senior executive position under Pay range 4 moved to Pay range 5 due to annual salary increases.
- (c) One senior executive position under Pay range 8 moved to Pay range 9 due to annual salary increases.

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, Goals 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 \$587,000 for the year ended 31 March 2016 (2015: \$516,000).

The remuneration of other senior executive positions for the year ended 31 March 2016 represents compensation for the Deputy Executive Director, six General Manager positions (2015: five General Manager positions) and five Regional Director positions (2015: five Regional Director positions).

7 Fixed assets

(a) The Group

	Leasehold properties	Leasehold improvements	Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
Cost:							
At 1 April 2015	252,855,009	8,298,254	1,187,199	11,482,501	20,771,366	2,376,680	296,971,009
Additions	-	2,459,298	-	742,756	3,869,298	417,560	7,488,912
Transfer from Work in Progress	-	-	-	-	1,886,080	(1,886,080)	-
Disposals	-	(959,817)	(853,788)	(692,200)	(2,768,892)	-	(5,274,697)
At 31 March 2016	252,855,009	9,797,735	333,411	11,533,057	23,757,852	908,160	299,185,224
Accumulated depreciation:							
At 1 April 2015	210,712,503	7,550,453	1,013,366	10,486,825	16,474,159	-	246,237,306
Charge for the year	10,114,200	419,949	120,519	456,490	2,442,261	-	13,553,419
Disposals	-	(479,909)	(835,205)	(692,200)	(2,717,244)	-	(4,724,558)
At 31 March 2016	220,826,703	7,490,493	298,680	10,251,115	16,199,176	-	255,066,167
Net book value:							
At 31 March 2016	32,028,306	2,307,242	34,731	1,281,942	7,558,676	908,160	44,119,057

7 Fixed assets (Continued)

(a) The Group (Continued)

	Leasehold properties	Leasehold improvements	Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
Cost:							
At 1 April 2014	252,855,009	8,006,639	1,187,199	11,952,052	17,530,142	–	291,531,041
Additions	–	291,615	–	1,193,035	4,670,163	2,376,680	8,531,493
Disposals	–	–	–	(1,662,586)	(1,428,939)	–	(3,091,525)
At 31 March 2015	252,855,009	8,298,254	1,187,199	11,482,501	20,771,366	2,376,680	296,971,009
Accumulated depreciation:							
At 1 April 2014	200,598,303	7,430,749	818,513	11,952,052	17,530,142	–	238,329,759
Charge for the year	10,114,200	119,704	194,853	197,359	372,956	–	10,999,072
Disposals	–	–	–	(1,662,586)	(1,428,939)	–	(3,091,525)
At 31 March 2015	210,712,503	7,550,453	1,013,366	10,486,825	16,474,159	–	246,237,306
Net book value:							
At 31 March 2015	42,142,506	747,801	173,833	995,676	4,297,207	2,376,680	50,733,703

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 other equipment	Computer hardware, software and system development	Work in progress	Total
Cost:							
At 1 April 2015	252,855,009	8,298,254	1,187,199	11,455,836	20,760,599	2,376,680	296,933,577
Additions	-	2,459,298	-	727,156	3,869,298	417,560	7,473,312
Transfer from Work in Progress	-	-	-	-	1,886,080	(1,886,080)	-
Disposals	-	(959,817)	(853,788)	(692,200)	(2,768,892)	-	(5,274,697)
At 31 March 2016	252,855,009	9,797,735	333,411	11,490,792	23,747,085	908,160	299,132,192
Accumulated depreciation:							
At 1 April 2015	210,712,503	7,550,453	1,013,366	10,463,288	16,470,458	-	246,210,068
Charge for the year	10,114,200	419,949	120,519	454,983	2,439,838	-	13,549,489
Disposals	-	(479,909)	(835,205)	(692,200)	(2,717,244)	-	(4,724,558)
At 31 March 2016	220,826,703	7,490,493	298,680	10,226,071	16,193,052	-	255,034,999
Net book value:							
At 31 March 2016	32,028,306	2,307,242	34,731	1,264,721	7,554,033	908,160	44,097,193

7 Fixed assets (Continued)

(b) The Board (Continued)

	Leasehold properties	Leasehold improvements	Motor vehicles	Furniture, fixtures and other equipment	Computer hardware, software and system development	Work in progress	Total
Cost:							
At 1 April 2014	252,855,009	8,006,639	1,187,199	11,928,606	17,526,643	–	291,504,096
Additions	–	291,615	–	1,189,816	4,662,895	2,376,680	8,521,006
Disposals	–	–	–	(1,662,586)	(1,428,939)	–	(3,091,525)
At 31 March 2015	252,855,009	8,298,254	1,187,199	11,455,836	20,760,599	2,376,680	296,933,577
Accumulated depreciation:							
At 1 April 2014	200,598,303	7,430,749	818,513	11,928,606	17,526,643	–	238,302,814
Charge for the year	10,114,200	119,704	194,853	197,268	372,754	–	10,998,779
Disposals	–	–	–	(1,662,586)	(1,428,939)	–	(3,091,525)
At 31 March 2015	210,712,503	7,550,453	1,013,366	10,463,288	16,470,458	–	246,210,068
Net book value:							
At 31 March 2015	42,142,506	747,801	173,833	992,548	4,290,141	2,376,680	50,723,509

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

	2016	2015
<i>Interests in a subsidiary</i>		
Unlisted share, at cost	1	1
Capital contribution	31,527,724	31,527,724
Less: impairment loss	(30,975,849)	(30,975,849)
	551,876	551,876
<i>Amount due to a subsidiary</i>	229,340	1,733,711

As at 31 March 2016, the Board assessed the interests in the subsidiary and no additional impairment loss was recognised during the years ended 31 March 2016 and 2015.

The amounts due to 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

Auditor's remuneration and other operating expenses of \$51,155 for the year ended 31 March 2016 (2015: \$58,955) in respect of the subsidiary were borne by the Board which has waived its right of recovery thereof.

9 Debtors, deposits and payments in advance

	The Group		The Board	
	2016	2015	2016	2015
Debtors	3,985,691	5,870,653	3,985,691	5,870,653
Less: Provision for impairment loss of debtors	(19,117)	(19,117)	(19,117)	(19,117)
	3,966,574	5,851,536	3,966,574	5,851,536
Deposits and payments in advance	18,039,649	17,897,051	17,182,286	17,304,582
	22,006,223	23,748,587	21,148,860	23,156,118

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	
	2016	2015	2016	2015
Australian Dollars	355,752	351,202	355,752	351,202
Chinese Yuan	957,312	995,367	957,312	995,367
Euros	536,215	626,473	536,215	626,473
Great Britain Pounds	1,351,860	1,770,805	1,351,860	1,770,805
Japanese Yen	3,012,279	4,300,030	3,012,279	4,300,030
Korean Won	202,701	202,511	202,701	202,511
New Taiwan Dollars	895,393	592,470	–	–
United States Dollars	533,357	903,075	533,357	903,075

The gross amount of debtors, deposits and payments in advance at 31 March 2016 that is expected to be recovered after more than one year for the Group is \$4,417,274 and the Board is \$4,212,991 (2015: the Group is \$5,785,703 and the Board is \$5,576,506).

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	
	2016	2015	2016	2015
At 1 April	19,117	19,117	19,117	19,117
Impairment loss recognised	-	-	-	-
At 31 March	19,117	19,117	19,117	19,117

At 31 March 2015 and 2016, the Group's and the Board's debtors of \$108,000 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 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	
	2016	2015	2016	2015
Neither past due nor impaired	250,423	802,143	250,423	802,143
Less than 1 month past due	1,586,910	4,429,861	1,586,910	4,429,861
1 to 3 months past due	938,673	108,874	938,673	108,874
More than 3 months but less than 12 months past due	1,101,685	414,215	1,101,685	414,215
1 year or more than 1 year past due	-	7,560	-	7,560
	3,627,268	4,960,510	3,627,268	4,960,510
	3,877,691	5,762,653	3,877,691	5,762,653

10 Cash and cash equivalents

	The Group		The Board	
	2016	2015	2016	2015
Deposits with banks and financial institutions	281,763,109	224,123,173	281,763,109	224,123,173
Cash at banks and in hand	5,749,056	6,609,837	5,230,679	6,322,734
Cash and cash equivalents in the statement of financial position	287,512,165	230,733,010	286,993,788	230,445,907
Less: Deposits with banks and financial institutions with maturity of more than three months at acquisition	(70,577,804)	–	(70,577,804)	–
Cash and cash equivalents in the statement of cash flows	216,934,361	230,733,010	216,415,984	230,445,907

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	
	2016	2015	2016	2015
Australian Dollars	342,549	445,354	342,549	445,354
Chinese Yuan	405,592	283,921	405,592	283,921
Euros	340,938	372,597	340,938	372,597
Great Britain Pounds	400,978	217,064	400,978	217,064
Singapore Dollars	111,027	1,024	111,027	1,024
New Taiwan Dollars	394,248	230,315	–	–
United States Dollars	199,930	141,248	199,930	141,248

Deposits with banks and financial institutions bear fixed interest rates with the effective interest rates per annum at the end of the reporting period for the Group and the Board ranging from 0.013% to 1.1% (2015: the Group and the Board ranging from 0.013% to 1.43%).

11 Accounts payable and accruals

	The Group		The Board	
	2016	2015	2016	2015
Accounts payable	108,196,215	99,801,488	107,904,327	98,526,156
Other payables and sundry creditors	46,900,449	38,915,270	46,111,943	38,124,253
	155,096,664	138,716,758	154,016,270	136,650,409

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	
	2016	2015	2016	2015
Australian Dollars	2,127,950	1,928,103	2,127,950	1,928,103
Chinese Yuan	6,068,386	3,289,149	6,068,386	3,289,149
Euros	2,659,166	755,210	2,659,166	755,210
Great Britain Pounds	1,951,938	2,094,346	1,951,938	2,094,346
Japanese Yen	5,345,439	4,493,969	5,345,439	4,493,969
Korean Won	3,530,478	193,285	3,530,478	193,285
Singapore Dollars	3,816,452	1,212,644	3,816,452	1,212,644
United States Dollars	1,811,901	1,698,192	1,811,901	1,698,192

The gross amount of accounts payable and accruals at 31 March 2016 that is expected to be settled after more than one year for the Group is \$6,927,927 and the Board is \$6,798,205 (2015: the Group is \$8,353,937 and the Board is \$8,157,395).

12 Deferred income

	The Group and The Board	
	2016	2015
Government subvention granted		
– 1994/95	250,000,000	250,000,000
Aggregate realisation:		
At 1 April	208,333,333	198,333,333
Realised during the year	10,000,000	10,000,000
At 31 March	218,333,333	208,333,333
Balance at 31 March	31,666,667	41,666,667
Less: Amount included in “current liabilities”	10,000,000	10,000,000
Amount included in “non-current liability”	21,666,667	31,666,667

13 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 11% (2015: 12%) 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 consolidated and the Board statements of financial position are as follows:

	2016	2015
Present value of wholly or partly funded obligations	(37,141,000)	(36,153,000)
Fair value of plan assets	84,716,000	88,025,000
Defined benefit retirement plan asset	47,575,000	51,872,000

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 2017 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:

	2016	2015
Equity securities		
– Pacific Basin	12,708,000	18,401,000
– Europe	11,078,000	10,523,000
– Americas	18,005,000	17,182,000
	41,791,000	46,106,000
Bonds		
– Global Bond	42,168,000	41,127,000
Cash at banks	757,000	792,000
	84,716,000	88,025,000

13 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:

	2016	2015
At 1 April	36,153,000	32,483,000
Remeasurements:		
– Actuarial losses arising from changes in liability experience	712,000	396,000
– Actuarial losses arising from changes in financial assumptions	364,000	1,372,000
	1,076,000	1,768,000
Benefits paid by the plans	(2,239,000)	(325,000)
Current service costs	1,718,000	1,614,000
Interest cost	433,000	613,000
	(88,000)	1,902,000
At 31 March	37,141,000	36,153,000

The weighted average duration of the defined benefit obligation is 5 years (2015: 5.6 years).

(iv) Movements in fair value of plan assets:

	2016	2015
At 1 April	88,025,000	81,571,000
Benefits paid by the plan	(2,239,000)	(325,000)
Interest income	1,056,000	1,546,000
Return on plan assets, excluding interest income	(2,126,000)	5,233,000
At 31 March	84,716,000	88,025,000

13 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:

	2016	2015
Current service cost	1,718,000	1,614,000
Net interest on net defined benefit asset	(623,000)	(933,000)
Total amounts recognised in the consolidated income statement	1,095,000	681,000
Actuarial losses	1,076,000	1,768,000
Return on plan assets, excluding interest income	2,126,000	(5,233,000)
Total amounts recognised in other comprehensive income	3,202,000	(3,465,000)
Total defined benefit costs	4,297,000	(2,784,000)

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

(vi) The principal actuarial assumptions used as at 31 March 2016 (expressed as weighted averages) and sensitivity analysis are as follows:

	2016	2015
Discount rate	1.00%	1.20%
Future salary increases	4.50%	4.50%

The below analysis shows how the defined benefit obligation as at 31 March 2016 would have increased/(decreased) as a result of 0.25 percentage points change in the significant actuarial assumptions:

	2016		2015	
	Increase in 0.25 percentage points \$'000	Decrease in 0.25 percentage points \$'000	Increase in 0.25 percentage points \$'000	Decrease in 0.25 percentage points \$'000
Discount rate	(455)	464	(499)	510
Future salary increases	456	(450)	504	(496)

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.

13 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% (2015: 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 \$25,000 or \$30,000 (effective from 1 June 2014). Contributions to the scheme vest immediately.

14 Reserves

	The Group		The Board	
	2016	2015	2016	2015
General fund at the beginning of the year	145,643,376	110,360,215	145,639,941	110,360,215
Surplus for the year	36,854,222	31,818,161	36,851,117	31,814,726
Other comprehensive income for the year	(3,202,000)	3,465,000	(3,202,000)	3,465,000
Total comprehensive income for the year	33,652,222	35,283,161	33,649,117	35,279,726
General fund at the end of the year	179,295,598	145,643,376	179,289,058	145,639,941

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.

15 Commitments

At 31 March 2016, 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	
	2016	2015	2016	2015
Within 1 year	11,542,812	9,970,717	11,328,855	9,751,945
After 1 year but within 5 years	11,539,423	15,878,046	11,500,429	15,876,372
After 5 years	–	256,618	–	256,618
	23,082,235	26,105,381	22,829,284	25,884,935

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, with an option to renew the leases when all terms are renegotiated for properties lease. None of the leases includes contingent rentals.

16 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.

(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 end of the reporting period 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

	2016				
	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	35,165,382	35,165,382	–	–	–
Accounts payable and accruals	155,096,664	148,168,737	3,052,103	1,592,626	2,283,198
	190,262,046	183,334,119	3,052,103	1,592,626	2,283,198

	2015				
	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	31,058,682	31,058,682	–	–	–
Accounts payable and accruals	138,716,758	130,362,821	3,893,336	2,152,564	2,308,037
	169,775,440	161,421,503	3,893,336	2,152,564	2,308,037

16 Financial instruments (Continued)

(b) Liquidity risk (Continued)

The Board

	2016				
	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	35,165,382	35,165,382	–	–	–
Accounts payable and accruals	154,016,270	147,218,065	2,922,381	1,592,626	2,283,198
	189,181,652	182,383,447	2,922,381	1,592,626	2,283,198

	2015				
	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	31,058,682	31,058,682	–	–	–
Accounts payable and accruals	136,650,409	128,493,014	3,828,194	2,021,164	2,308,037
	167,709,091	159,551,696	3,828,194	2,021,164	2,308,037

16 Financial instruments (Continued)

(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 of the Group's income-earning financial instruments at the end of the reporting period.

(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 Britain Pounds, Chinese Yuan, Singapore Dollars, New Taiwan Dollars and Korean Won.

Sensitivity analysis

The following table indicated the instantaneous change in the Group's surplus after tax and general fund that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the HKD and the USD would be materially unaffected by any change in movement in value of the USD against other currencies.

16 Financial instruments (Continued)

(d) Foreign currency risk (Continued)

Sensitivity analysis (Continued)

	2016		2015	
	Increase/ (decrease) in foreign exchange rates	Effect on surplus after tax and general fund	Increase/ (decrease) in foreign exchange rates	Effect on surplus after tax and general fund
Japanese Yen	5% (5)%	(113,753) 113,753	5% (5)%	(3,086) 3,086
Australian Dollars	5% (5)%	(71,482) 71,482	5% (5)%	(56,577) 56,577
Canadian Dollars	5% (5)%	(19,269) 19,269	5% (5)%	(6,656) 6,656
Euro	5% (5)%	(89,101) 89,101	5% (5)%	12,193 (12,193)
Great Britain Pounds	5% (5)%	(9,955) 9,955	5% (5)%	(5,324) 5,324
Chinese Yuan	5% (5)%	(235,274) 235,274	5% (5)%	(100,493) 100,493
Singapore Dollars	5% (5)%	(176,413) 176,413	5% (5)%	(56,562) 56,562
New Taiwan Dollars	5% (5)%	42,124 (42,124)	5% (5)%	(61,408) 61,408
Korean Won	5% (5)%	(166,345) 166,345	5% (5)%	5,779 (5,779)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' surplus after tax and general fund measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2015.

16 Financial instruments (Continued)

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2016 and 2015.

17 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.

18 Possible impact of amendments, new standards and new interpretations issued but not yet effective for the annual accounting year ended 31 March 2016

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31 March 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the company.

	Effective for accounting periods beginning on or after
Annual Improvements to HKFRSs 2012-2014 Cycle	1 January 2016
Amendments to HKAS 1, <i>Disclosure initiative</i>	1 January 2016
HKFRS 15, <i>Revenue from contracts with customers</i>	1 January 2018
HKFRS 9, <i>Financial instruments</i>	1 January 2018
HKFRS 16, <i>Leases</i>	1 January 2019

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.

