

We Make the Difference

Hong Kong Tourism Board
Annual Report 2016/17



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Messages from Chairman & Executive Director

Chairman's Message



“

I firmly believe that Hong Kong's tourism industry has strong foundations, and the commissioning of large-scale transport infrastructures such as the Hong Kong-Zhuhai-Macao Bridge and the Guangzhou-Shenzhen-Hong Kong Express Rail Link will fuel further tourism growth for Hong Kong and the region. Our tourism future also relies on how best we capitalise on the business opportunities brought by the Belt and Road Initiative through continued close partnership with the local and regional travel trade and related industries.

”

Dr Peter Lam, GBS

Chairman, Hong Kong Tourism Board

The Hong Kong tourism industry has risen to many challenges in the past year. With the impact of external factors such as the strong Hong Kong dollar and the Mainland's "one trip per week" measure for Shenzhen residents, visitor arrivals to Hong Kong in 2015 and 2016 fell, with a particular drop in same-day arrivals. However, thanks to solid growth in both long-haul and short-haul arrivals from international markets, visitor arrivals to Hong Kong reached 56.65 million in 2016, bringing total tourism receipts of approximately HK\$300 billion.

The Hong Kong Tourism Board has been striving to maintain a diverse visitor portfolio to ensure sustainable development of the tourism industry. Throughout the year, we rolled out promotions in 20 source markets, including 15 key markets and five new markets, with the objective of attracting people from different parts of the world and widening our source of visitors. Meanwhile, our major strategic focus has been to encourage more overnight visitors and to proactively develop MICE and cruise tourism, so as to bring in more high-yield visitors, create more business opportunities for different business sectors, and ultimately maximise tourism's contribution to the economy.

I would like to take this opportunity to express my sincere gratitude to the Government for allocating additional funding to support the HKTb in enhancing the promotion of Hong Kong's diverse tourism experiences. With the help of that funding, we have launched the new brand campaign "Best of all, it's in Hong Kong" in source markets, drawing the attention of visitors, the international media, and overseas trade bodies to the unique and diverse experiences that Hong Kong has to offer.

We also continued to launch a variety of subsidy programmes for the travel trade to encourage them to develop more innovative tourism products that allow visitors to explore the city more intimately. In addition, a number of mega events were staged and promoted to strengthen the city's image as the events capital of Asia.

Hong Kong has for decades been a popular destination offering an array of unparalleled experiences, but the tourism industry is susceptible to external influences. With intensified competition in the region and an ever-changing business environment, it is a challenge for Hong Kong to stay ahead as a leading travel destination.

Having said that, I firmly believe that Hong Kong's tourism industry has strong foundations, and the commissioning of large-scale transport infrastructures such as the Hong Kong-Zhuhai-Macao Bridge and the Guangzhou-Shenzhen-Hong Kong Express Rail Link will fuel further tourism growth for Hong Kong and the region. Our tourism future also relies on how best we capitalise on the business opportunities brought by the Belt and Road Initiative through continued close partnership with the local and regional travel trade and related industries.

Looking ahead, I would like to call for continuing wholehearted support from the Government, our trade partners, and our sponsors to showcase Hong Kong's diverse appeal and unique culture to the world. Together, we can take Hong Kong tourism to the next level of excellence.

Executive Director's Statement

“

Today's increasingly sophisticated and demanding travellers are no longer satisfied with simply visiting a succession of established and popular tourist sites. Instead, they are keen to explore destinations in depth and to immerse themselves in the local culture. To address this trend and to encourage visitors to explore different aspects of our city, we have put our emphasis in promotions in recent years on seven core Hong Kong experiences: living culture, arts and entertainment, sports and great outdoors, attractions, nightlife, dining, and shopping.

”

Anthony Lau

Executive Director, Hong Kong Tourism Board

Hong Kong is just a tiny speck on the map, yet it has been one of the top tourism destinations in the world for decades. In the Euromonitor International Top 100 City Destinations Ranking for 2017, Hong Kong was ranked first for the seventh consecutive year.

Hong Kong has an edge in our advanced tourism software and hardware, but we also recognise the importance of upholding our city's outstanding reputation in order to maintain our competitiveness as a leading global destination.



Today's increasingly sophisticated and demanding travellers are no longer satisfied with simply visiting a succession of established and popular tourist sites. Instead, they are keen to explore destinations in depth and to immerse themselves in the local culture.

To address this trend and to encourage visitors to explore different aspects of our city, we have put our emphasis in promotions in recent years on seven core Hong Kong experiences: living culture, arts and entertainment, sports and great outdoors, attractions, nightlife, dining, and shopping.

In the year just gone, we launched a striking new brand campaign called "Best of all, it's in Hong Kong". It featured four promotional videos starring celebrities from Hong Kong and overseas showcasing Hong Kong's tourism appeal under the themes "Gourmet and Nightlife", "Trendy Arts and Entertainment", "Family Fun", and "Great Outdoors and Living Culture".

To capitalise on the trend towards social media that has become such a major part of modern life, we used our digital platforms to capture user-generated content from visitors. Through these platforms, we encourage visitors and celebrities to share videos, images, and reflections on their personal Hong Kong experiences.

The HKTB works relentlessly to keep its publicity strategy relevant and up to the minute. We use a variety of channels and platforms including digital media, public relations activities, exhibitions, and consumer fairs to showcase Hong Kong's diverse appeal. The results in 2016 were encouraging. The global publicity generated reached a value of nearly HK\$6 billion, up 36% on the previous year, while a total of 134 million page views were recorded for DiscoverHongKong.com, a 46% year-on-year rise, and the number of followers for all HKTB social media reached 7.5 million, up 35%.

Throughout the year, we staged and promoted a number of mega events which were not only bigger than in previous years but also featured exciting new elements. We enjoyed extended routes on the Sun Hung Kai Properties Hong Kong Cyclothon, the biggest ever CCB (Asia) Hong Kong Wine & Dine Festival, and a new street party at the BOCHK Hong Kong New Year Countdown Celebrations 2017. All these

expansions and improvements brought an enhanced experience to local people and visitors alike, and burnished our reputation as the events capital of Asia.

The HKTB continued to strengthen trade support through the New Tour Product Development Scheme and the Matching Fund for Overseas Tourism Promotion by Tourist Attractions, encouraging our trade partners to develop distinctive tourism products and supporting local tourist attractions in their overseas promotions. To attract more overnight visitors, we worked with local trade partners, airlines, hotels, and tourist attractions to introduce products targeting young people and family visitors from the Mainland and short-haul markets.

To boost MICE tourism, the HKTB engaged with the organisers of large-scale, strategic MICE events to encourage them to hold their events in Hong Kong. With additional funding from the Government, we also introduced a subsidy programme which supports the travel trade in enticing more small and medium-sized MICE groups to Hong Kong. To promote cruise tourism, we not only approached cruise companies which use Hong Kong as a homeport or major turnaround port to launch the Fly-Cruise Co-op programme, but also successfully attracted many international cruise companies to include Hong Kong in their cruise itineraries.

I would like to thank the Government, as well as all of our sponsors and partners, and members of the community, for their wholehearted support for our events and promotions. I would also like to thank all members of the HKTB Board for their invaluable opinions and input, and every colleague in the company for their tireless efforts, without which these impressive results would have been impossible.

Looking ahead, we will continue to do everything we can to work with people from every sector and to launch imaginative and targeted promotions to let more people around the world know about the unique experiences that make Hong Kong such an unforgettable destination.





Board Members

Board Members

As at October 2017



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

General Manager

The Kowloon Hotel



Winston Chow

Director & Deputy
General Manager

Chow Sang Sang Holdings
International Limited



Margaret Fong

Executive Director

Hong Kong Trade
Development Council

(note i)



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

Managing Director of
Hong Kong Economic Times
Holdings Limited



Barry D. Nassberg

Chairman of Marketing
and Business Development
Committee

Group Chief Commercial Officer

Worldwide Flight Services



Paulo Pong

Founder & Managing Director

Altaya Group International
Limited



Nansun Shi

Executive Director

Film Workshop Co. Ltd.



Jason Shum

Executive Director

Nan Hwa (Express)
Travel Service Limited

(note i)


Winnie Tam, sc

Chairman of Staff
and Finance Committee

Barrister-at-law


James Tong

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


Jason Wong

Director & President
Hong Thai Travel Services
Limited
(note i)


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


Yip Wing-sie, BBS, JP

Music Director
Hong Kong Sinfonietta
(note ii)


Carrie Yu

Assurance Partner
Retail & Consumer Industry
PricewaterhouseCoopers

Notes

- (i) Appointment effective from 1 November 2016.
- (ii) Photo courtesy: Yvonne Chan
- (iii) The following members also served the Board during the year ended 31 March 2017:
Mr Benjamin Chow, Mr Michael Wu and Ms Linda Yuen retired on 31 October 2016.





Tourism Performance

Tourism Performance in 2016

Total Arrivals:



56.65 million

Overnight Arrivals:

26.55 million

Same-Day Arrivals:

30.10 million

Total Tourism Expenditure Associated with Inbound Tourism:



HK\$ **296.2** billion

Overnight Visitors' Per Capita Spending:



HK\$ **6,599**

Average Length of Stay among Overnight Visitors:



3.3 nights

Overall Satisfaction of Overnight Visitors (Max: 10 points):



8.3 points



Strategic Focus



Strategic Focus

Best of All, It's in Hong Kong

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Best of All, It's in Hong Kong

In October 2016, we launched the new “Best of all, it's in Hong Kong” brand campaign. It showcased many of Hong Kong's unique characteristics in four categories – “Non-stop Intensity”, “Fascinating Contrasts”, “Compact Variety” and “Distinctly Trendy” – and promoted seven core experiences the city offers – living culture, arts and entertainment, sports and great outdoors, attractions, nightlife, dining and shopping.

With additional funding from the Government in 2016/17 in support of the new brand campaign, we produced four new promotional videos under the themes “Gourmet & Nightlife”, “Trendy Arts & Entertainment”, “Family Fun”, and “Great Outdoors & Living Culture” to highlight Hong Kong's unique appeal.

The new brand campaign was launched in various markets, including the Mainland, Taiwan, South Korea, Japan and Southeast Asia. The promotional videos were broadcast on 70 regional channels and local TV stations, as well as major digital and social media platforms in source markets.

We also promoted Hong Kong's diverse tourism experiences to visitors, international media and the overseas trade through digital and social media platforms, public relations and trade events to encourage visitors to explore the city's unique and diverse tourism experiences like a local.

We set up a dedicated website in six languages for the brand campaign. In addition to introducing Hong Kong's diverse tourism experiences and exciting events, the website provided suggested itineraries, offers by travel trade partners, and other useful information.

During the period from October 2016 to March 2017:

- Video views: over 593 million
- Brand website page views: close to 40 million
- Increase in the number of social media fans of the HKTB: about 500,000

The best Hong Kong experiences. Start exploring!

I'm in the mood for Show me

Tasting the Town

Whether it's street food loved by world-famous chefs or Michelin-starred restaurants renowned worldwide, one place has it all. Come discover Hong Kong like a local. DiscoverHongKong.com

Journeys of Discovery

Rejuvenate body and soul as you explore natural wonders, countless mountain paths and cultural villages. Come discover Hong Kong like a local. DiscoverHongKong.com

Hipster Stuff

Turn little moments into lasting memories with loved ones in Hong Kong. Enjoy theme parks, boat trips, natural wonders and more. Come discover Hong Kong like a local. DiscoverHongKong.com

Family Time

Turn little moments into lasting memories with loved ones in Hong Kong. Enjoy theme parks, boat trips, natural wonders and more. Come discover Hong Kong like a local. DiscoverHongKong.com

GOURMET FOR EVEN THE CHOOSIEST PALATES

Whether it's street food loved by world-famous chefs or Michelin-starred restaurants renowned worldwide, one place has it all. Come discover Hong Kong like a local. DiscoverHongKong.com

#DiscoverHongKong

YOU DON'T HAVE TO GO FAR FOR THE GREAT OUTDOORS

Rejuvenate body and soul as you explore natural wonders, countless mountain paths and cultural villages. Come discover Hong Kong like a local. DiscoverHongKong.com

#DiscoverHongKong

A PLACE GLOBAL TRENDSETTERS CALL HOME

Marvel at local designs inspired by unique street culture living side-by-side with the world's latest trends. Come discover Hong Kong like a local. DiscoverHongKong.com

#DiscoverHongKong

THE BIGGEST ATTRACTION IS FAMILY TIME

Turn little moments into lasting memories with loved ones in Hong Kong. Enjoy theme parks, boat trips, natural wonders and more. Come discover Hong Kong like a local. DiscoverHongKong.com

#DiscoverHongKong

Mainland China

Promoting a hospitable image and culture of excellent service

We also collaborated with major media organisations and travel websites in the Mainland to conduct consumer education and step up promotion of Quality and Honest Hong Kong (Q&H) Tours especially in various cities in northeastern, northern and western China. In addition, we organised roadshows to increase consumer awareness of the Quality Tourism Services (QTS) Scheme and help them identify and choose quality Hong Kong travel products.

- Impressions for the KOL campaign during summer and winter bursts: over 500 million
- Publicity value generated from partnerships with Tencent: over HK\$20 million
- Reach and value of QTS Scheme roadshows: 470,000 consumers, generating publicity value of HK\$23 million

意匠id v  12月6日 19:06 来自 微博 weibo.com

作为一个刻画悠久历史的香港旧区，深水埗直至今日仍保留不少典型港式味道。这里不仅有市井的琐碎繁华，更有潮创文化的根植驻扎。许多对文化及设计怀有梦想的香港年轻人聚集于此，办展览、做市集、开潮店...使得这里成为怀旧艺术游的新地标。

1. 22 Degrees North : 纺织厂改造创意生活馆，设计师狩猎创意... [展开全文](#)



Building strategic partnerships

In addition to working with major airlines and travel agents to promote offers and travel packages, the HKTb expanded its partnership network, collaborating with popular online travel agencies such as Ctrip, Tuniu and Fliggy. We rolled out special tour products targeting Mainland public holidays and promotional windows of local major events, and enhanced the penetration of our messages through major online video platforms like Tencent, iQIYI, LeTV, Youku and Sohu.

We expanded the Hong Kong Value Offer Programme to more digital platforms, including WeChat and Meituan, to entice more Mainland visitors to Hong Kong and stimulate their spending in the city.



Number of users of the Hong Kong Value Offer Programme: 1 million, up 35% year on year

Actively promoting MICE and cruises

The Mainland has always been a key source market for Hong Kong's MICE and cruise tourism. This year we organised a familiarisation trip for over 20 enterprises' decision makers and 16 organisers of major academic conferences, summits and forums. We held a corporate event in Qingdao for 52 new corporate clients to showcase the attractiveness as a MICE tourism destination and encourage them to organise MICE events in Hong Kong.

To promote cruise tourism, we partnered with Tencent's online show "Modern Style" and invited four celebrities popular in the Mainland market – Yan Yikuan, Niki Chow, Kenny Kwan and Ke Hu – to film features that introduced Hong Kong's distinctive cruise travel products to the young and family segments.



- 12 large meeting and incentive groups with a total of 13,000 pax visited Hong Kong during the end-of-year peak season
- Online cruise tourism promotion results: 9 million video views with a publicity value of over HK\$7 million

Taiwan

We adopted an innovative marketing approach to entice visitors from Taiwan to explore Hong Kong in depth and discover authentic local culture to attract them to re-visit the city.

Best of All, It's in Hong Kong

In December 2016, we organised a ceremony to launch the “Best of all, it's in Hong Kong” new brand campaign in the Taiwan market. Michelin-starred chef Chan Yan-tak from Hong Kong's Four Seasons Hotel was invited to prepare exquisite Hong Kong cuisine for media participants. We also set up a Hong Kong pavilion with the new brand theme at the Taipei International Travel Fair (ITF), the largest travel event in Taiwan, to promote the diverse tourism experiences that Hong Kong offers, in a bid to attract consumers to purchase Hong Kong travel products on the spot.



Publicity value generated by the “Best of all, it's in Hong Kong” launch ceremony: HK\$4.5 million



Hong Kong Family Fun

To tie in with the launch of the “Hong Kong Family Fun” promotion, we partnered with the popular Hong Kong cartoon character Din Dong on a digital marketing campaign that used a lovely and entertaining video and an interactive online game about Hong Kong family fun to attract Taiwanese families to visit Hong Kong on their summer vacation.

“Hong Kong Family Fun” video in collaboration with Din Dong: 3.4 million views



Let's Go to Hong Kong guidebook

Since flights from Taiwan to Hong Kong take less than two hours, Hong Kong is a popular destination for Taiwanese taking weekend trips or short breaks. Therefore, to attract Taiwanese consumers to revisit Hong Kong and discover something they never knew about the city, the HKTB launched a new guidebook titled *Let's Go to Hong Kong*, which introduced three aspects of cultural experiences in Hong Kong covering old days of the city to today's most fashionable hotspots.



Let's Go to Hong Kong guidebook distribution to date: 100,000 copies



Japan

Japanese visitors attach importance to authentic experience, so we worked with Japanese celebrities and leveraged media partnerships to promote Hong Kong's different experiences in a local way.

Celebrity endorsement

At a lunch reception for the new brand campaign “Best of all, it’s in Hong Kong”, famous Japanese model and actress Kiko Mizuhara and celebrity chef Yosuke Imada were appointed as “Star HK Mai” to share special experience in Hong Kong. In February 2017, Mizuhara joined popular alpinist Marin Minamiya to introduce special but lesser-known local dining and outdoor experiences in Hong Kong in an advertorial in the *Asahi Shimbun*, a popular national newspaper, in Tokyo and Osaka.



Publicity value generated by the “Best of all, it’s in Hong Kong” new campaign launch: over HK\$12.5 million

Media cooperation

Popular weekly fashion and beauty magazine *anan* published a special feature on travelling to Hong Kong, with a cover story highlighting famous Japanese model and actress Nozomi Sasaki’s experience exploring Hong Kong and featuring over 80 pages of Hong Kong recommendations from key opinion leaders from every walk of life. The magazine came up with a walking guide booklet and engaged a large number of readers from Sasaki’s promotion in her Instagram posts and train posters of the magazine cover put up in Tokyo and Osaka.



© anan/Magazine House



© anan/Magazine House

Publicity value generated by the feature in collaboration with magazine *anan*: over HK\$10.6 million

Trade networking

A large-scale travel mission to Osaka, Nagoya and Tokyo provided an effective platform for Hong Kong trade representatives to meet with over 150 Japanese buyers and explore business opportunities. To celebrate the 50th anniversary of HKTb's Japan office, industry players from Japan and Hong Kong were invited to join a VIP dinner. A TramOramic tour was also offered to over 500 Japanese travellers as a consumer privilege during the WinterFest promotion period.



Over 1,000 appointments were implemented during the travel mission



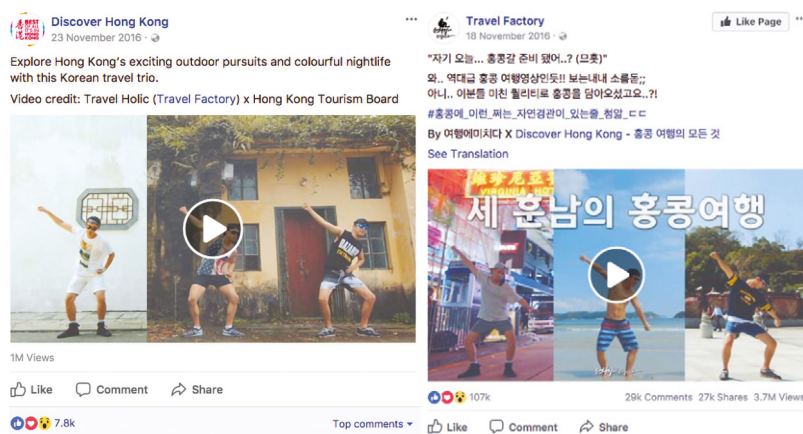
South Korea

Understanding that Korean visitors appreciate a chic and hip lifestyle, we focused on producing trendy and attractive content in our initiatives to showcase the city's cutting-edge experiences.

Great Outdoors Hong Kong

Korea's top travel Facebook page, Travel Factory was invited to produce a dynamic and fun-filled video featuring exciting outdoor activities in Hong Kong. The video became an instant hit and went viral among social media users. Targeting young fun seekers, the KBS VJ Special Unit produced a special feature highlighting Hong Kong attractions like Hong Kong Island's Dragon's Back hiking trail and Lantau Island's Tai O Village.

- Video produced by Travel Factory generated views: over 3.6 million
- Publicity value generated by the Great Outdoors Hong Kong campaign: HK\$32.8 million



Family and young segment campaign

To coincide with the “Getaway to Hong Kong” and “Hong Kong Family Fun” campaigns, we partnered with Korea's No.1 e-commerce site, Coupang.com, introducing main banner advertisements and leveraging other digital promotion tools, like mobile app push notifications, Facebook and blogs to further promote and push sales of our value packages. We also developed family target products in cooperation with Cathay Pacific and various hotels and attractions, which offered discounts and even free entrance for children travelling with their families.



Sales of Hong Kong travel products increased by 10% during the campaign promotion period



TV partnership

In view of the huge influence of TV on consumers in Korea, we worked with major terrestrial TV channels including SBS, MBC and KBS, to produce programmes showcasing Hong Kong's diverse experiences from summer fun, outdoor trekking, Hong Kong Wine & Dine Festival to Hong Kong's art and culture delights.



The TV programmes generated a total publicity value of HK\$300 million



Southeast Asia

Capitalising on the influence of celebrities and key opinion leaders (KOLs) in Southeast Asian markets, we invited them to enjoy a diverse travel experience in Hong Kong and disseminate their Hong Kong stories in different media for maximum mileage.

Reality TV shows in Hong Kong

We partnered with regional TV channel KIX to invite four celebrities from different fields to film five episodes of the reality show “The Ultimate BROcation” in Hong Kong about exploring the city’s most exciting and fashionable hotspots. Featured in the show were R&B singer and TV presenter Billy Crawford from the Philippines, multitalented rapper and musician SonaOne from Malaysia, top DJ and TV host P.K. from Thailand, and popular chef Bjorn Shen from Singapore. A large-scale online game with prizes was also part of the show. The four celebrity presenters were invited to regularly share highlights of their Hong Kong filming trips on social media, in order to promote Hong Kong as a top travel destination.



The Ultimate BROcation © 2016 Celestial Tiger Entertainment Limited. All Rights Reserved.

- Publicity value generated by the reality TV show “The Ultimate BROcation”: HK\$175 million
- Social media views: 59 million

Hong Kong Live in Bangkok

In October 2016, the HKTb joined forces with seven major Hong Kong attractions to host a large-scale, four-day promotion event in Bangkok’s fashionable shopping mall Siam Paragon, where we promoted a diverse range of Hong Kong experience. The honourable guests joining the event included Mr Rimsky Yuen, Secretary for Justice of the HKSAR Government, and Thai celebrities Gubgib and JJ. Local travel trade also set up booths at the venue offering Hong Kong travel products to Thai consumers.



- Publicity value generated by the Hong Kong Live in Bangkok event: nearly HK\$2.4 million

Launching the new brand campaign

To launch the “Best of all, it’s in Hong Kong” new brand campaign, we organised media events in the key source markets, the Philippines, Thailand and Indonesia. Local celebrities and personalities who lived in Hong Kong for many years were invited to the event to share their wonderful experiences of Hong Kong. Participating celebrities included Hong Kong chef Christian Yang, Asia’s Best Female Chef 2016 Margarita Forés and renowned Thai street artist Rukkit.



Publicity value generated by
“Best of all, it’s in Hong Kong”
launch events: nearly HK\$3.3 million

Trade delegation to Hong Kong

During the year, we invited more than 50 members of the travel trade from the Philippines and Thailand to visit Hong Kong and discuss collaboration opportunities with the local trade. During the visit, Meetings and Exhibitions Hong Kong (MEHK) gave a presentation on the latest MICE products that Hong Kong offered. The delegation also visited the largest-ever Hong Kong Wine & Dine Festival and many Hong Kong’s attractions.



Successfully developed about 15 Hong Kong Wine & Dine Festival travel products

New Markets

Capitalising on celebrity endorsement and social media networks, we stepped up our work in New Markets to reach target consumer groups and trade partners.

Romantic Hong Kong featured by Zee network

Since celebrities have considerable influence on Indian consumers, in late 2016, we partnered with Zee network TV to film a travelogue of six episodes starring Indian celebrity couple Sanjeeda and Aamir to showcase their romantic and exciting trip in Hong Kong. Spin-off digital content and social media engagement drew a lot of attention across social media platforms.



- Zee network's travelogue and vignettes reached audience: 16 million
- Generated publicity value: over HK\$13 million

Family campaign on Times Network

The family segment makes up a large proportion of Indian visitors to Hong Kong. To target this segment, we leveraged the family trip of Indian Bollywood actress Neha Dhupia to produce 14 TVC vignettes of must-go attractions and other places for families visiting Hong Kong. The vignettes were broadcast on the Times Network, and behind-the-scenes photos and stories were posted on Neha's social media accounts and other online platforms.



- Vignettes produced resulting from visit of Neha Dhupia reached audience: 17 million
- Generated publicity value: over HK\$1.6 million

Co-op with Russian lifestyle magazines and online portals

Our partnership with top-tier Russian lifestyle magazines *Hello*, *Cosmopolitan* and *Aeroflot Style* and online lifestyle portal Snmedia.ru allowed us to reach young and mid-career Russian consumers to share some of Hong Kong's hip and trendy boutiques and restaurants and some of the hottest spots for chilling out at night.



Coverage resulting from co-op with Russian media reached audience: 5 million

Trade cooperation with major airlines used by Russian travellers

Through strategic partnership with major airlines like Etihad Airways and China Eastern Airlines we encouraged Russian travellers to include Hong Kong on their journeys with special value offers.

Не пропусти декабрьские распродажи в Гонконге!

Билеты Etihad Airways от 29 000

✈ Найди рейс

BEST OF ALL IT'S IN HONG KONG

ETIHAD AIRWAYS

Year-on-year increase in bookings to Hong Kong during campaign period: 60%

Australia

Sports, outdoor activities and gourmet dining are some of the experiences Australian travellers rarely miss on their travel itineraries. Leveraging highlight events and seasonal activities, we boosted our promotion through integrated campaigns and media cooperation.

Hong Kong Dragon Boat Carnival and Great Outdoors Hong Kong

To further showcase the healthy vibes and exciting dynamics of the city, we invited eleven dragon boat teams from Australia and New Zealand to participate in Hong Kong Dragon Boat Carnival 2016. With the strong line-up, the teams won several prizes and received extensive media coverage in the regional press.

Renowned landscape photographer and influencer William Patino explored Hong Kong's unique natural landscapes and green attractions, and shared his inspiring photos, videos and experiences on his Instagram, Snapchat and Youtube accounts and in his blog.



Publicity value generated by Hong Kong Dragon Boat Carnival and Great Outdoors Hong Kong campaign: HK\$7 million

william_patino • Follow
Hong Kong National Geopark Kiu Tsui Country Park



3,988 likes
william_patino Thanks Hong Kong, it's been an enjoyable and eye opening past few days. Until next time 🇭🻜 @discoverhongkong #discoverhongkong @cathaypacific #lifewelltravelled

william_patino • Follow
Dragon's Back Trail, Hong Kong



3,944 likes
william_patino Hiking along the spine of the Dragons Back yesterday, the sun managed to pierce through the clouds for a few brief moments. @discoverhongkong

Culinary journey on Channel 7Two

Celebrity Chef Manu Feildel, who is also the judge of the longstanding reality show “My Kitchen Rules”, travelled around the world on his culinary adventures. Aired on the highest-rating Australian free digital television multichannel, 7Two, the Hong Kong episode of “Around the World with Manu” featured cooking challenges from dim sum to street food, and explored retail food outlets from wet market to herbal tea shop.



© SevenNetwork

Publicity value generated by
“Around the World with Manu”
Hong Kong episode: HK\$4.7 million



Travel mission

In May 2016, the HKTb and 37 local trade partners hosted Australian trade, including wholesalers, meeting planners and travel agents in Sydney and Melbourne over 7 different events to explore business opportunities through one-on-one contracting meetings and to experience Hong Kong culture through various demonstrations. The HKTb also provided the latest MICE business update to the key professional conference organisers in Sydney.



Number of Australian trade
participants: 250

Americas

To raise the awareness of Hong Kong's attractiveness among American and Canadian consumers, we initiated creative campaigns, engaged TV stations to shoot interesting videos in Hong Kong, and organised proactive trade and multi-destination promotions.

Word-of-mouth publicity

We rolled out a multimedia project, "Image Hong Kong", which invited four renowned Canadian photographers to explore spectacular scenery in Hong Kong through their lens. The project generated extensive coverage in print, digital and social media, and a photo contest was arranged through media cooperation with *Photo News* and partnership with photography products and airline sponsors. The photos created huge awareness and are displayed on zenfolio.com, a major image-hosting site for photographers to share and sell images.



- Publicity value generated by "Image Hong Kong" campaign: close to HK\$3 million
- Total publicity value generated from promotions in the US in 2016/17: HK\$2.8 billion



In the US, the HKTb actively engaged TV channels to feature Hong Kong in various shows. Emmy-nominated TV host Darley Newman took an urban adventure and island hopping trip in Hong Kong, resulting in two episodes of her well-known "Travels with Darley" series on PBS. Also on PBS, veteran TV host Burt Wolf was invited to Hong Kong again to explore the city's sophistication and unique culture for the premier of his 14th season of "Travels & Traditions". Both shows reached a broad audience of US television households and had nation-wide airings on TV and various other platforms. NBC's comedy reality show "Better Late Than Never", starring four beloved legendary American celebrity actors, also visited Hong Kong, generating huge publicity.

MICE and cruise tourism promotion

To grow the high-potential MICE and cruise tourism segments, the HKTB participated in IMEX America with hoteliers and major attractions for the sixth consecutive year to effectively and attractively present Hong Kong to blue chip convention, meeting and incentive prospects. To showcase the city's state-of-the-art convention facilities and venues, the HKTB also hosted a four-day study mission for members of the American Society of Association Executives (ASAE) to Hong Kong. Two international conventions were confirmed to be held in Hong Kong within two months after the study mission.

To promote cruise travel in Hong Kong, the HKTB exhibited at the world-leading annual cruise event Seatrade Cruise Global, successfully enhancing Hong Kong's profile via high-impact sponsorship, extensive brand exposure and one-on-one meetings with senior cruise line executives.

- Three-day event in IMEX America: arranged over 250 hosted buyer appointments and generated 40 MICE group leads
- Sponsored the "State of the Global Cruise Industry" opening session in Seatrade Cruise Global attracting more than 3,000 cruise executives, trade and media



Multi-destination promotions

The HKTB actively promoted multi-destination itineraries to North American consumers. We partnered with the Taiwan Tourism Bureau and Macao Government Tourism Office to launch large-scale promotion campaigns and strategic collaboration with airlines and travel agents to promote special offers and increase visitors' length of stay in each destination. We also organised travel missions and trade familiarisation tours for tour operators to showcase multi-destination products and services.

Discover unforgettable stories in Taiwan and Hong Kong

Blend a journey of picturesque natural scenery with unique east-meets-west culture. With just an hour's flight between the two destinations, an amazing array of contrasting experiences awaits you in Taiwan and Hong Kong.

2 STORIES ONE TRIP

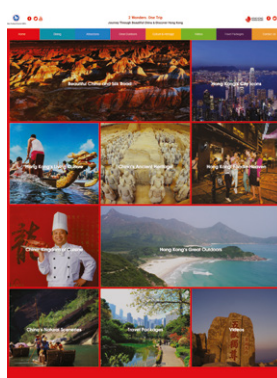
- ✚ DLP Worldwide 1,866,700,1967
12D/10N Wonders of Taiwan and Hong Kong from \$2,976
- ✚ Gaway Travel 1,866,437,4879
8D/4N Hong Kong and Taiwan Tour from \$1,796
- ✚ Jade Tours 1,866,387,8367
8D/5N Hong Kong & Taipei One Trip-Two Countries from \$1,900
- ✚ Journeys of Discovery 1,866,296,1788
11D/9N Discover Hong Kong and Taiwan from \$2,388
- ✚ Mandarin Holidays 1,866,752,3638
11D/9N Asia Fun: Twin Cities Explorer - Hong Kong & Taipei from \$1,699
- ✚ Nexus Holidays 1,866,604,6488
12D/11N Splendid Taiwan and Hong Kong from \$2,789

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Taiwan EVA AIR HONG KONG

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- Marketing promotion jointly conducted by Hong Kong and Taiwan in the US: resulted in 109% sales growth during campaign period
- Canadian trade familiarisation tours: 22 new Hong Kong-Taiwan tour products developed



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Europe

Our European offices were keen on launching distinctive initiatives for consumer engagement and trade networking to meet the preferences of different markets.

Trade engagement and collaboration

In the UK, we concentrated on exploring business opportunities with professional groups, by giving a presentation at the annual meeting of the International Association of Professional Congress Organisers (IAPCO), for example, to develop future convention business for Hong Kong. We also built relationships with key airlines and tour operators by hosting an exclusive dinner to celebrate Chinese New Year.

We partnered with Wendy Wu Tours and Cathay Pacific to roll out an integrated trade and marketing campaign. Through Facebook, major travel sites and email, the campaign created a blast with its competition for a free trip to Hong Kong and the Mainland.

- The IAPCO presentation successfully attracted an attendance of over 100 professional conference organisers
- Marketing campaign with Wendy Wu Tours and Cathay Pacific generated over 200,000 page views and 15,000 competition entries



Diverse collaboration initiatives

Our Frankfurt office is dedicated to showcasing different facets of our city to entice German travellers. We again participated in ITB Berlin, the biggest tourism show worldwide and provided a platform for 21 Hong Kong trade partners for networking and sales promotion. We collaborated actively with Cathay Pacific, Lufthansa, SWISS, Austrian Airlines and Emirates and ran impactful business-to-business promotions including familiarisation trips to strengthen awareness of Hong Kong's tourism features.

We also rolled out multi-layered campaigns, with partners such as leading German travel company DER Touristik covering its key brands namely Dertour, Dertour Deluxe and Meier's Weltreisen to promote multi-destination packages with Macao while ensuring great awareness of Hong Kong by reaching out to 90% of travel agencies in the market. Furthermore we ran a successful collaboration with Emirates Airline on the online booking platform – Opodo.de featuring a special flight rates. With an aim to strengthen the position of Hong Kong as a stop-over destination in multi-destination itineraries, Hong Kong was prominently featured in the catalogue of the tour operator Explorer Fernreisen.

We also worked with TV stations and magazines to provide extensive coverage of Hong Kong's diverse tourism experiences:

- A 25-minute feature about cars related to the FIA Formula E Hong Kong E-Prix in "Grip TV" on RTL2
- A feature story on the Hong Kong Cyclothon in Germany's largest cycling magazine *RennRad*
- A cover story on Hong Kong in the magazine *Asia Pacific*, which was distributed through the Pacific Asia Travel Association and in all German trade and consumer shows
- A 12-page story on outdoor activities in Hong Kong in *Terra* magazine



- Total publicity value generated from promotions in Germany in 2016/17: close to HK\$93 million
- Coop campaign with Emirate Airline and Opodo.de: 35% increase of Hong Kong bookings during promotion period

Event driven promotions

To launch our new brand campaign in French market, we initiated an integrated campaign anchoring on Chinese New Year covering a feature story in the renowned programme "C à vous" on French 5 TV; broadcasting HKTb's four brand videos on digital channels; generating stories on social media; and organising a Hong Kong trade mission to France.

Leveraging the first-ever participation by a French team, which was composed of breast cancer survivors, we used the Hong Kong Dragon Boat Carnival as a sporty anchor to promote Hong Kong's culture and local food in French media. A press trip of female journalists from influential print, digital and social media channels was organised to explore the unique living style and gourmet in Tai O.

- Publicity value generated by the integrated promotion of the new brand campaign: HK\$10 million
- Publicity value generated by Dragon Boat Carnival press trip: over HK\$6 million



Marketing Initiatives

In 2016/17, we launched a series of new marketing initiatives using an innovative approach to promote Hong Kong's unique experiences and increase international exposure of Hong Kong as a top travel destination.

Making the most of user-generated content (UGC)

True and touching stories are an effective way to get people's attention and can go viral through social media, creating a wider impact.

Therefore, we launched the #DiscoverHongKong user-generated content campaign and invited international key opinion leaders (KOLs) to share their unique experiences when visiting Hong Kong and to produce promotional videos to encourage visitors to share their "I Never Knew" stories about Hong Kong in the form of videos, text or images via digital and social media. The HKTb re-posted these stories to allow more people to learn about the diverse tourism experiences Hong Kong offers.

- The Fung Brothers: The rapper and comedian duo from the US travelled around Hong Kong looking for trendy gadgets and innovative cuisine.
- Rima Zeidan: The Taiwan-based model and TV travel presenter explored hidden gems in Hong Kong and recommended authentic local food.
- Evan: The popular American YouTuber, who was just 9 years old, took his family on a culinary and fun-filled trip to Hong Kong and introduced family-fun attractions.

We created a dedicated website about recommendations made by the KOLs and promoted it via other channels such as advertisements and social media to reach a wider audience.



"I Never Knew" user-generated content promotion:

- Video views: over 5 million
- Dedicated website page views: over 4.2 million
- Entries: over 10,000
- Social media engagement: over 1 million
- Publicity value generated: over HK\$2.5 million



Enhancing digital and social media marketing

This year we also launched a number of marketing campaigns targeting at digital and social media users to expand our audience reach and amplify the influence to maximise the promotional effectiveness.

- We continuously enriched the official HKTb website DiscoverHongKong.com to provide visitors with comprehensive, up-to-date travel information.
- We published interesting content on our official social media accounts – Facebook, Twitter, Instagram, Pinterest, YouTube, WeChat and Weibo – to get the attention of social media users and enhance interaction with our fans. Some examples include the following:
 - During Hong Kong Arts Month, we worked with renowned photographer Omar Z Robles and ballet dancer Brittany Cavaco to produce a series of visually striking photos featuring scenes across the city to showcase some of Hong Kong's lesser-known arts hotspots
 - We posted 360° videos featuring celebrities to promote local attractions
 - We organised real-time voting campaigns to give users an opportunity to vote for their favourite Chinese New Year events
- We strengthened our partnership with the travel review website TripAdvisor.com to attract more visitors to Hong Kong by providing tailor-made content.



- Page views of DiscoverHongKong.com in 2016/17: more than 134 million, representing year-on-year growth of 46%
- Total fans on all HKTb social media accounts in 2016/17: more than 7.5 million, equivalent to year-on-year growth of 35%

Utilising media communications

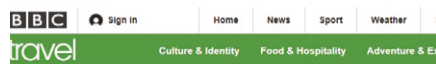
We partnered with Discovery Networks TLC to produce the TV series “A Taste of Hong Kong”, which proved particularly popular with audiences in Southeast Asia. In the third series of the show, released in 2016, we invited world-famous travel presenter Ian Wright and Hong Kong chef Christian Yang to film three episodes to tie in with the “Hong Kong Great November Feast”. They produced highly entertaining episodes about authentic Hong Kong food, hip and chic eateries, and Michelin-starred restaurants, which highlighted the appeal of Hong Kong as the culinary capital of Asia.



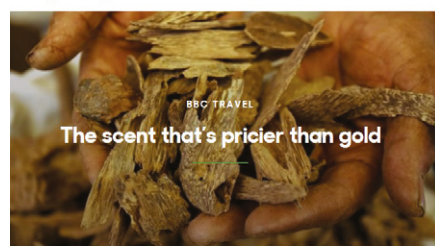
Expanding online coverage

In 2016, we worked with CNN and BBC to set up dedicated pages on their online platforms to regularly share Hong Kong travel stories that showcased diverse travel experiences from different angles. For example, we introduced “Hong Kong Sports Month” in collaboration with CNN to highlight the Sun Hung Kai Properties Hong Kong Cyclothon and other mega events in the city. On the BBC’s travel page, we focused on stories about local culture and customs.

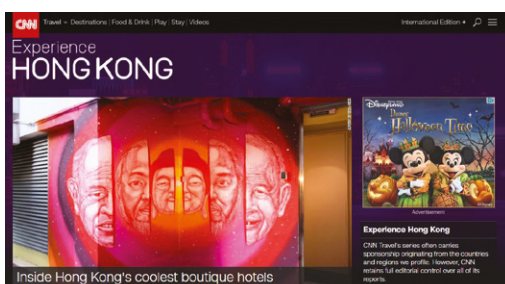
We also partnered with a number of international news agencies, including Reuters and Associated Press, to produce photos, videos and articles about various mega events in Hong Kong. The enormous reach of these international news agencies allowed media in different regions to obtain the information about Hong Kong easily and rapidly. The partnerships successfully generated publicity value of tens of millions of Hong Kong dollars.



Hong Kong



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© <http://edition.cnn.com/specials/travel/experience-hong-kong>



© <http://www.bbc.com/travel/asia/china/hong-kong>

Total publicity value generated by BBC and CNN dedicated pages: about HK\$50 million

Active overseas marketing campaign

We attended the annual Bordeaux Wine Festival in France again in 2016, Hong Kong was the only city in Asia to be invited as a “guest of honour”. To showcase Hong Kong’s unique appeal, we transformed the Hong Kong Pavilion into a traditional theatre with performances of award-winning Cantonese opera, as well as Chinese sleeve dancing and Western tap dancing, to bring out Hong Kong’s unique fusion of Chinese and Western culture. We also used the occasion to promote Hong Kong delicacies with “Asia’s Best Female Chef”, May Chow, who prepared an array of Hong Kong-inspired snacks for visitors. To further showcase Hong Kong’s culinary excellence to the events’ VIPs, chef Alvin Leung of Michelin three starred restaurant Bo Innovation prepared two sumptuous meals for the Mayor’s Dinner and 1855 Dinner.



- Number of visitors reached in the Bordeaux Wine Festival: over 650,000
- Media reporting the event: over 80 French and international media outlets

Exciting Events

Hong Kong is renowned as the events capital of Asia. A wide range of exciting events are staged throughout the year, attracting the participation of many visitors.



**Hong Kong Chinese
New Year Celebrations**



Hong Kong Arts Month



Hong Kong Cultural Celebrations



Hong Kong Summer Fun



Hong Kong Dragon Boat Carnival



Hong Kong Sports Month



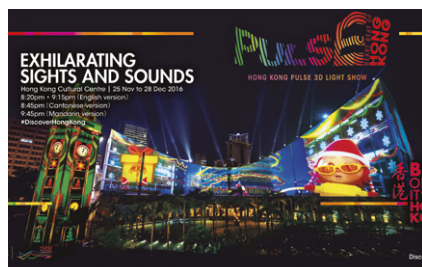
Hong Kong Wine & Dine Festival



Hong Kong WinterFest



**Hong Kong New Year
Countdown Celebrations**



Hong Kong Pulse 3D Light Show



Great Outdoors Hong Kong



Supporting Other Events

Hong Kong Chinese New Year Celebrations

Chinese New Year in Hong Kong is the city's biggest and most colourful festival, with a large number of celebratory events, from the International Chinese New Year Night Parade, organised by the HKTb, the Lunar New Year Fairs (Flower Markets), the Lunar New Year Fireworks Display and the Lam Tsuen Well-wishing Festival to the Chinese New Year Race Day, allowing visitors to experience and immerse themselves in the ambience of the traditional festival.

Cathay Pacific International Chinese New Year Night Parade

The 2017 Chinese New Year Night Parade was one of the events held to commemorate the 20th anniversary of the establishment of the Hong Kong Special Administrative Region (HKSAR). The Parade, with the theme “Best Fortune. World Party”, was the largest ever, with 10 floats and 55 teams from 11 countries and regions taking part, bringing a total number of performers up to 3,000 people. The HKTb arranged 350 youngsters from 15 local schools to act as “Lucky Buddies”, handing out 13,000 festive gift packs to spectators along the parade route, spreading joy and good fortune to the audience.

To enable people from around the world to feel the festive culture and vibrancy of Hong Kong's Chinese New Year celebrations, we broadcast the event live via satellite to TV channels and news agencies worldwide, and broadcast the celebrations live on international cruise ships.

The International Chinese New Year Night Parade attracted 155,000 spectators, more than half of them were visitors

Title Sponsor of the International
Chinese New Year Night Parade


CATHAY PACIFIC
國泰航空公司



Hong Kong Arts Month

Every March, Hong Kong hosts a large number of arts and cultural events. The HKTb bundled a range of cultural events and arts landmarks into “Hong Kong Arts Month” for promotion to visitors and international media. As 2017 was the 20th anniversary of the establishment of the HKSAR, the HKTb carefully selected various arts events and attractions in the city for visitors, including “Art Basel Hong Kong”, the “Hong Kong Arts Festival”, and “SOHO Gallery Tours”, to encourage visitors to experience Hong Kong’s arts and culture.

We meticulously selected 20 photographs that highlighted Hong Kong’s lesser-known art spots and used them to promote Hong Kong in the international media. Among the locations were Wong Chuk Hang, a new cluster for culture lovers, and the street art and graffiti in Sham Shui Po, Central and Sheung Wan. To encourage visitors to experience Hong Kong’s unique arts appeal, we also worked with our travel trade partners to promote guided tours featuring arts highlights in Central.



© Wilfried Hösl (Hong Kong Arts Festival)



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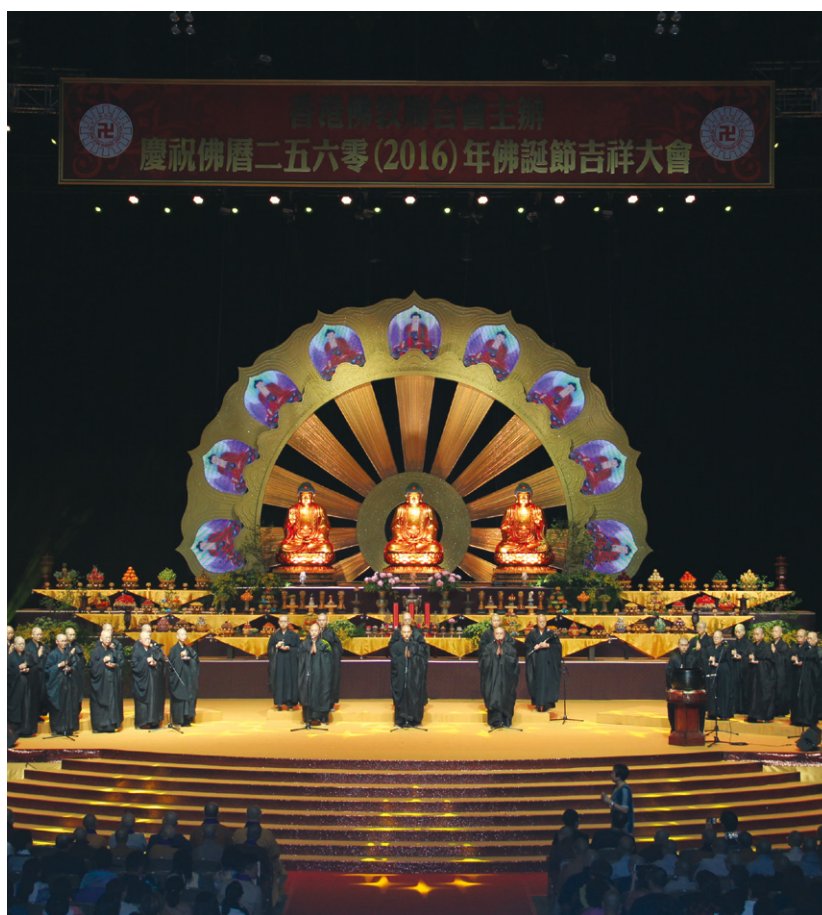


© Art Central



Hong Kong Cultural Celebrations

Hong Kong has retained a number of longstanding historical festivals, such as the Cheung Chau Bun Festival, and the birthdays of Tin Hau, Buddha and Tam Kung. We used Hong Kong Cultural Celebrations as a platform to promote these distinctive traditional celebrations and encourage visitors to take part.



Hong Kong Dragon Boat Carnival

The three-day Hong Kong Dragon Boat Carnival was held at the Central Harbourfront for the first time. One of the event highlights was the CCB (Asia) Hong Kong International Dragon Boat Races, with this year marked the 40th anniversary of the Races. Another key event highlight was the San Miguel BeerFest, which featured not only ice-cold beer, but also performances by famous DJs, popular singers and top bands. We introduced a brand-new Family Zone in the Carnival, providing local residents and visitors with a wide range of games for the whole family.

More than 4,000 dragon boat enthusiasts from 14 countries and regions took part in the Hong Kong International Dragon Boat Races



Title Sponsor of the Hong Kong International Dragon Boat Races



Official Beer of the Hong Kong Dragon Boat Carnival



Hong Kong Sports Month

A number of great sporting events were held in Hong Kong in October, including the second edition of Sun Hung Kai Properties Hong Kong Cyclothon, organised by the HKTb, the FIA Formula E Hong Kong ePrix, and the Hong Kong Tennis Open. We joined forces with the organisers to actively promote these events and showcase the vibrancy and energetic image of Hong Kong.

Hong Kong Cyclothon

The 2nd Sun Hung Kai Properties Hong Kong Cyclothon was the largest cycling event ever held in Hong Kong and featured a route that encompassed numerous landmarks and major roads. The Cyclothon, which consisted of four races and five cycling activities, attracted over 4,600 riders, including 140 professional cyclists from 27 countries and regions, as well as the professional UCI World Tour cycling teams Lampre-Merida and ORICA-BikeExchange.

The Hong Kong Cyclothon attracted over 51,000 spectators, one third of whom were visitors

Title and Charity Sponsor of the Hong Kong Cyclothon



Hong Kong Wine & Dine Festival

The CCB (Asia) Hong Kong Wine & Dine Festival offers delightful surprises to both local residents and visitors every year. The 2016 Festival was the largest ever, with a 20% increase in both the area of the venue and the number of booths. The Festival featured 428 booths serving fine cuisine, wonderful wine from 28 countries and regions, and local gourmet delicacies.

We invited the head chef of Gaggan, which placed first in the list of Asia's 50 Best Restaurants 2016, as well as celebrated chefs from Michelin-starred restaurants and 2016 Best of the Best Culinary Awards winners, to jointly prepare a sumptuous Master Chef Dinner for visitors at the Tasting Room.

Hong Kong Great November Feast

The Hong Kong Great November Feast followed hot on the heels of the Hong Kong Wine & Dine Festival, building on the hype of the enthusiasm for fine food and delectable drinks. Throughout November, restaurants and bars across Hong Kong offered a wide range of food, drinks and themed events, demonstrating the unrivalled appeal of Asia's food capital.

Total attendance at the four-day Hong Kong Wine & Dine Festival was over 145,000

Title Sponsor of the Hong Kong Wine & Dine Festival



Hong Kong WinterFest

In winter, Hong Kong's skyscrapers, attractions and large shopping malls get all dressed up with dazzling Christmas lighting for the festive occasion. During the period of Hong Kong WinterFest, we put up a 15-metre-tall Christmas tree and other festive installations in Statue Square in Central, and actively promoted the major local winter events and programmes in source markets to encourage visitors to experience the festive winter atmosphere in Hong Kong.



Hong Kong New Year Countdown Celebrations

Title-sponsored by Bank of China (Hong Kong) (BOCHK), the BOCHK Hong Kong New Year Countdown Celebrations 2017 were one of the celebratory events for the 20th anniversary of the establishment of the HKSAR, and were the largest-ever Hong Kong New Year Countdown Celebrations. The show was extended from eight minutes to a full ten. In celebration of the centenary of the Bank of China's service to Hong Kong, the BOCHK logo and the symbolic "100", together with a variety of new fireworks designs and special lighting effects, were added to the show. We further enriched the festive atmosphere with a street party in Tsim Sha Tsui, where singers and artists, and both locals and visitors were invited to celebrate and participate in the New Year countdown.

We again broadcast the show live via satellite to major TV and media networks worldwide, and livestreamed the show on key social media and video platforms, which effectively increased Hong Kong's international exposure.

The Hong Kong New Year Countdown Celebrations attracted 334,000 spectators, who viewed the show from both sides of Victoria Harbour



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Title Sponsor of the Hong Kong
New Year Countdown Celebrations



Hong Kong Pulse 3D Light Show

During the year, we rolled out two rounds of the Hong Kong Pulse 3D Light Show, one during Hong Kong Summer Fun and the other during Hong Kong WinterFest. The performance was projected on the walls of the Hong Kong Cultural Centre and the Clock Tower, along with a dazzling display of lighting effects and 3D projection technology with music and sound effects, making the night view of Victoria Harbour even more spectacular.

The two rounds of the Hong Kong Pulse 3D Light Show attracted over 876,000 spectators, with visitors accounting for more than 40% of the total



Great Outdoors Hong Kong

Great Outdoors Hong Kong highlighted nine hiking and cycling routes that had won awards or had been recognised by international media. We invited photographer Kelvin Yuen, winner of the National Geographic International Photo Contest, Youth Division, to share his experience in our brand-new guidebook about capturing the beauty of nature through the lens, in an effort to encourage more visitors to experience the stunning natural scenery of Hong Kong.

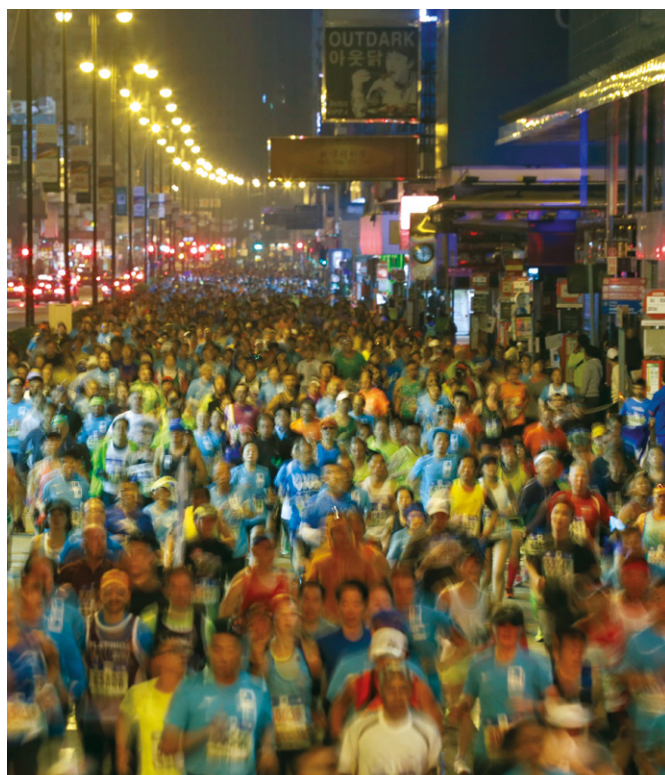
The HKTB joined hands with airlines and the travel trade in Japan, South Korea and Taiwan to launch tourism products featuring hiking in Hong Kong, in order to entice visitors to explore the city's natural wonders.



Supporting Other Events

The HKTb proactively supported event organisers in promoting major events held in Hong Kong, including the 2016 Hong Kong Sevens, Hong Kong International Races 2016, Tai Hang Fire Dragon Dance 2016, Clockenflap Hong Kong's Music & Arts Festival 2016, and Hong Kong Marathon 2017, with the goal of strengthening Hong Kong's image as the events capital of Asia.





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Trade Partnership

Joint efforts with the travel and related sectors are essential for the continuous development of Hong Kong tourism. In 2016/17, through various initiatives, we supported our industry partners to attract more visitors to Hong Kong and develop more business for local trade.

“Hong Kong Family Fun” and “Getaway to Hong Kong” promotions

Families and young visitors accounted for some 70% of overnight vacation arrivals from the Mainland and short-haul markets in 2016. In order to further realise the enormous potential of these segments, we partnered with travel agencies, airlines, local hotels and attractions to roll out the “Hong Kong Family Fun” and “Getaway to Hong Kong” campaigns. The two campaigns offered attractive travel products to attract families and young visitors by providing discounts on flights, hotel accommodation and tickets to attractions for children who come with their families, and offering young visitors flights and accommodation at special prices, as well as discounted tickets to attractions and mega events.



- The two campaigns were offered in collaboration with 67 overseas travel agencies and involved 34 rounds of promotions targeting 10 source markets (the Mainland, Taiwan, Japan, South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia and India)
- The offers mainly covered 12 attractions, over 100 hotels and 22 airlines

Fostering trade exchanges to create business opportunities

In the face of increasingly intense competition, it is vital to strengthen our connections and exchanges with the overseas travel trade, and show them the diverse tourism appeal of Hong Kong.

This year we hosted a number of travel trade events and took part in various international travel exhibitions. We continued the fee waiver for local travel trade members to join these events to encourage participation.

At the 2016 Hong Kong International Travel Expo, our Hong Kong Pavilion attracted about 100,000 visitors from the public and the travel trade, and successfully established a business platform for our participating partners.

The HKTb arranged travel missions for the travel trade to visit key source markets, including Japan, South Korea, the US, UK, Australia and France, to foster closer connections with the overseas trade for new business development.



- In 2016/17, we held 34 trade events, which resulted in almost 4,000 business appointments for over 600 travel trade members
- In major consumer shows in Germany, Japan and the Philippines, the HKTb invited Michelin-recommended Hong Kong street food eatery “Mammy Pancakes” to make egg waffles for the participants, leaving them with a positive impression of Hong Kong

Strengthening trade support to encourage novelty in product offerings

In 2016/17, we continued to encourage the trade in developing creative travel products by providing subsidies on part of the promotion costs through two rounds of the “New Tour Product Development Scheme”. We also made use of our “Explore Hong Kong Tours” platform to help the travel trade promote their products. Among these, the “Hong Kong Movie Tour” and “The Most of Hong Kong” received the biggest response, with the number of tour participants exceeding the original target by 80% and 100%, respectively.

We used the additional funding allocated by the Government to roll out the “Matching Fund for Overseas Tourism Promotion by Tourist Attractions (MFTA) Scheme”. The Scheme subsidised 50% of the overseas marketing and promotion costs for each approved promotion to support local tourist attractions’ overseas promotional work.



- As of 2016/17, a total of 33 new tourism products were subsidised under the “New Tour Product Development Scheme”
- Between June 2016 and March 2017, the “MFTA Scheme” supported 161 promotions

MICE Business

Meetings, Incentives, Conferences and Exhibitions (MICE) helps attract more high-yield visitors to Hong Kong and raise Hong Kong's international status. The HKTB's Meetings & Exhibitions Hong Kong (MEHK) office has adopted tailored marketing strategies for different MICE segments in order to attract more MICE events to be held in Hong Kong and strengthen the city's position as "The World's Meeting Place".

Striving to develop new opportunities

Since 2014, the HKSAR Government has allocated additional funding to the HKTB to provide customised support and attractive value-added hospitality to MICE organisers and visitors which has greatly enhanced the winning chance for bidding mega MICE events. Our success rate has increased from 35% to 67% between 2014 and 2016. In the past three years, we successfully won a number of large-scale and strategic MICE events, such as high-profile medical conventions covering various specialties, international events in the technology sector, and mega corporate events. The list of events won in 2016 included the following:

- Asia Pacific Life Insurance Congress 2019 (6,000 pax)
- Critical Communications World Congress (3,800 pax)
- Highlights of American Society of Hematology (ASH) Asia (1,200 pax)
- Jeunesse Global 16th & 17th University 2017 (21,000 pax)
- North Asia Herbalife Extravaganza 2017 (11,000 pax)
- Rise Conference 2017 (10,000 pax)



- Overnight MICE arrivals to Hong Kong rose by 10% in 2016 to 1.89 million
- Their per capita spending exceeded HK \$7,700, 17% higher than that of all visitors to Hong Kong
- The mix of MICE visitors was well-balanced, with 51% from the Mainland, 21% from long-haul markets, and 28% from short-haul markets
- From 2014 to 2016, we successfully won over 36 major bids, generating an estimated HK\$1.36 billion in tourism receipts for Hong Kong



Supporting trade partners

MEHK worked with our industry partners to actively participate in major exhibitions and trade events in different regions, including Incentive Travel & Conventions, Meetings (IT&CM) in the Mainland, IMEX in Germany and the US, and SATTE in India, allowing us to reach more international buyers, corporations and MICE travel agents. We also supported the local travel trade in developing business by launching a pilot scheme of funding support for them to attract small- and medium-sized MICE groups to Hong Kong.



In 2016/17, over 250 business leads were generated for MEHK and our local trade partners

Fostering partnerships

We continued to strengthen our partnerships with professional conference organisers and intermediaries, including the American Society of Association Executives (ASAE), HelmsBriscoe (HB), the International Congress and Convention Association (ICCA), and the International Association of Professional Congress Organisers (IAPCO), in order to leverage their communication platforms and networks to reach more potential customers.

We continued to roll out joint promotions with AsiaWorld-Expo, the Hong Kong Convention and Exhibition Centre (HKCEC), the Hong Kong Exhibition & Convention Industry Association (HKECIA), and the Hong Kong Trade Development Council (HKTDC) for overseas industry events such as the UFI Congress in order to uphold Hong Kong's image as the "Trade Fair Capital of Asia".



Our strategic partnerships generated 30 business leads for large-scale conventions in 2016



Showcasing Hong Kong's strengths

We hosted familiarisation tours, study missions and Contract Hong Kong events for strategic partners, and showcased for our overseas industry partners Hong Kong's MICE products, venues, and the latest developments.

In 2016, we held our largest-ever "Top MICE Agent Awards", hosting over 50 top MICE agents from the Mainland, India, Indonesia and South Korea for an award ceremony and a familiarisation trip to Hong Kong. We also provided them with first-hand experience with Hong Kong's latest MICE products and offerings.



In 2016/17, we hosted 24 familiarisation tours, study missions and Contract Hong Kong events for 320 overseas trade partners

Cruise Experience

Asia's fast-growing cruise industry offers huge opportunities for Hong Kong. Since the completion of the Kai Tak Cruise Terminal, we have made even greater efforts to develop potential cruise markets and expand our partner network to strengthen Hong Kong's image as Asia's cruise hub.

Cultivating source markets

In order to boost consumer interest and demand for cruise travel, we promoted the unique features of Hong Kong as a destination for cruise holidays through both traditional and digital media to generate more pre- and post-stay visits in Hong Kong.

In 2016, we invited movie star Daniel Wu in the "Azure Voyage" campaign to shoot a series of short promotional videos and a magazine guide to share his experience on cruises and the unique charm of Hong Kong.

This year we partnered with a number of cruise lines that use Hong Kong as a homeport or major turnaround port, including Royal Caribbean International, Dream Cruises, and Celebrity Cruises, to launch the Fly-Cruise Co-op programme in key source markets, such as the Mainland, Taiwan, India, Japan, South Korea, Southeast Asia, Australia, the UK, and the US.



Daniel Wu's "Azure Voyage" campaign: related online video views reached 4.7 million, while the whole campaign achieved more than 53 million impressions



HONG KONG FLY+CRUISE PACKAGE

VOYAGER OF THE SEAS

7th XIAMEN, NAGASAKI, OKINAWA CRUISE
 Selling Date: July 10, 2016
 Ports of Call: Xiamen, Nagasaki, Okinawa, Hong Kong, China
 \$597
 Includes: Round-trip airfare, hotel, cruise, and transfers.

4th SANYA & CHAN MAY CRUISE
 Selling Date: July 12, 2016
 Ports of Call: Sanya, Chan May, Hong Kong, China
 \$430
 Includes: Round-trip airfare, hotel, cruise, and transfers.

5th BEST OF TAIWAN CRUISE
 Selling Date: July 21, 2016
 Ports of Call: Taipei, Keelung, Tainan, Keelung, Taipei, Hong Kong, China
 \$502
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Driving ship deployment

We worked proactively to attract more world-class cruise ships to make Hong Kong a homeport or major turnaround port. In 2016/17, we succeeded in attracting the following ships to be deployed to Hong Kong:

- Royal Caribbean International's *Voyager of the Seas* extended its homeport season in Hong Kong with 25 sailings between June and October 2016.
- Ovation of the Seas*, currently Asia's largest international cruise ship, completed its maiden voyage to Hong Kong in June 2016 and returned to Hong Kong near the end of the year for a mini-homeport season with 6 sailings.

- Asian luxury cruise brand Dream Cruises' *Genting Dream* visited Hong Kong for the first time in November 2016 and subsequently had her homeport season in Hong Kong, catering for the high-end market in Asia.
- Star Cruises' *SuperStar Virgo* embarked on a new triple-homeport deployment between Hong Kong, Taiwan and the Philippines from March to May 2017.

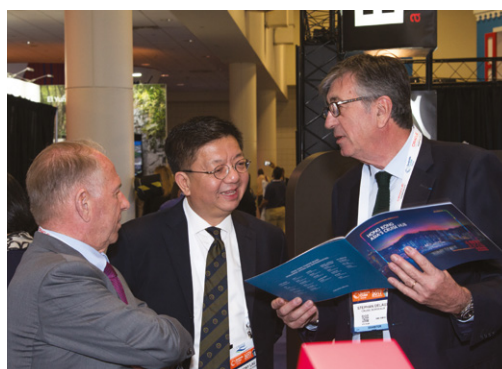


- Total ship calls in 2016: 191 (an increase of 34.5% year on year)
- Total cruise passenger throughout in 2016: 677,000 (an increase of 49.5% year on year)

Enhancing regional cooperation

We also strive to strengthen our partnership with members of Asia Cruise Cooperation (ACC). A very important milestone in the partnership was that Hong Kong became one of the triple-homeports of Star Cruises' *SuperStar Virgo*, along with Taiwan and the Philippines. This new inter-port itinerary best demonstrates the alliance's commitment to driving continued growth in the regional cruise tourism industry.

In 2017, we again joined with ACC members to participate in Seatrade Cruise Global, the annual global cruise industry event held in the US. The event attracted more than 700 exhibitors from 90 countries. The HKTb was the exclusive sponsor of the focal event "State of the Global Cruise Industry", set up an exhibition booth, and participated actively in conferences to further boost Hong Kong's international standing in the cruise industry.



The focal event "State of the Global Cruise Industry", sponsored exclusively by the HKTb, drew an audience of over 3,000 cruise line executives, industry representatives and international media

Top-Notch Service

We strived to promote a hospitality culture and encouraged the tourism industry and related sectors to continue to provide quality service to visitors to enhance the visitor experience, with the goal of forging an outstanding reputation for Hong Kong.

Quality Tourism Services (QTS) Scheme

- As of the end of March 2017, the QTS Scheme covered 1,256 accredited merchants, representing 8,107 outlets and 709 rooms in accommodation in Hong Kong.
- We organised roadshows to Hangzhou and Chongqing with the Quality Tourism Services Association and a dozen QTS-accredited merchants to raise awareness of the QTS Scheme in the Mainland. We invited key opinion leaders (KOLs) to share their experience and opinion of the excellent service during their visits to Hong Kong.
- We partnered with the Quality Tourism Services Association and UnionPay Hong Kong on a joint promotion campaign in the summer of 2016. More than 1,400 outlets across Hong Kong took part in the joint promotion, providing visitors with a range of discounts and offers to stimulate their spending in Hong Kong.



Hangzhou and Chongqing roadshows:

- Participating media outlets: 68
- Media reports: over 800
- Publicity value generated: HK\$20 million



Outstanding visitor services

We constantly strive to provide visitors with efficient, high-quality service that enriches the visitor experience. For the convenience of visitors to Hong Kong we expanded our visitor information services by adding a mobile instant messaging app, called Line app, which enables us to provide an instant response to visitors' enquiries, as well as the latest recommendations and travel information.



- Our Visitor Centres served more than 1 million visitors in 2016/17
- The Concierge Hotline provided services to 127 registered users, including 96 hotels, 6 malls, 8 attractions, 9 QTS-accredited accommodation services, and 8 QTS-accredited department stores

Multi-Destination Travel

The HKTB all along works with neighbouring travel destinations to promote multi-destination itineraries bundling the unique appeal and tourism resources of Hong Kong and other places, complementing each other's strengths to attract more visitors to the region.

Deepening our partnership with the Taiwan Tourism Bureau

In 2016/17, we continued to work with the Taiwan Tourism Bureau to attract North American visitors by promoting to them more innovative and unique itineraries that allow visitors to enjoy amazing experiences in both Hong Kong and Taiwan in a single trip. We also launched a new Hong Kong-Taiwan package and collaborated on advertisements that highlighted the attractive features of both regions. The advertisement we ran in Canada was awarded an advertising design prize.

Hong Kong and Taiwan

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Blackout dates apply: 13-15 Sep'16, 28 Jan-1 Feb'17, 21-25 Mar'17

The new Hong Kong-Taiwan package was very well received, resulting in double-digit growth in the number of Canadian visitors on Hong Kong-Taiwan itineraries in 2016

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The Belt and Road Initiative also presents enormous opportunities for collaboration among regions along the route. We therefore worked with the Zhuhai Culture, Sports and Tourism Bureau, the Shenzhen Culture, Sports and Tourism Bureau, and the Macao Government Tourism Office to co-host a trade seminar in Thailand, showcasing the tourism highlights of the four destinations. The participating trade members subsequently launched new multi-destination itineraries and products featuring the four destinations.







Tourism & The Community

Tourism & The Community

The tourism industry has a close relationship with the community as a whole. We encourage every citizen to contribute to Hong Kong's tourism development by being an ambassador, showcasing the city's unique tourism appeal and excellent hospitality. During the year, we organised and supported a number of activities inviting the public to provide further support to the Hong Kong's tourism industry.

Becoming a “Pal” of visitors

Our Visitor Centres received more than one million visitors in 2016/17. Through our considerate service, we strive to ensure that every visitor has an unforgettable experience in Hong Kong.

The Hong Kong Pals programme, now in its seventh year, is one of our key initiatives to provide excellent visitor service. The “Meet the Pals” initiative under the Hong Kong Pals programme provides a platform for the Pals to share with visitors their recommendations and stories on different Hong Kong topics, such as the best photography spots, local culinary culture and the historical architecture. On special occasions and festivals, the Pals teach visitors about traditional handicrafts in the Centres, helping to provide them with a memorable cultural journey.

A Hong Kong Pal showed visitors the traditional tools used to make mooncakes.



When a couple came to Hong Kong to celebrate their 40th wedding anniversary, a Hong Kong Pal prepared a special piece of calligraphy as a surprise gift.

A Hong Kong Pal shared his extensive knowledge of Hong Kong with visitors at our Visitor Centre.



Fostering next generation

Our long-term tourism development depends upon the participation of youngsters in Hong Kong. In order to raise students' awareness of the HKTB's work, we held 21 talks in secondary schools, universities and tertiary institutes in 2016/17, reaching over 1,100 students to enhance their knowledge of the HKTB's overseas promotion work and the latest developments in the industry.

For the sixth consecutive year, the HKTB invited tourism and hospitality students to take part in its annual event – the Hong Kong Tourism Overview. This year, over 200 students from 11 universities and tertiary institutes attended the event. This was the highest number of participating institutions yet.



The HKTB continued to support the Hong Kong Young Ambassador Scheme which was organised by the Tourism Commission and the Hong Kong Federation of Youth Groups (HKFYG). Last year, the HKTB Chairman Dr Peter Lam attended the Appointment and Awards Ceremony of the Scheme, in which 253 youngsters were appointed as Young Ambassadors to help promote Hong Kong to visitors.

The HKTB gave a presentation to students in the School of Journalism and Communication at the Chinese University of Hong Kong (CUHK), introducing the HKTB's marketing initiatives and promotion plans in overseas markets.



The HKTB gave an introduction on its promotion work in overseas markets to students studying in the College of International Education of Hong Kong Baptist University (HKBU).

In a sharing session with students from the Hong Kong Community College of the Hong Kong Polytechnic University, the HKTB presented its creative promotion campaigns and PR initiatives.



Quality tourism service

Excellent tourism service is vital to ensure a memorable travel experience in Hong Kong. By supporting the work of different sectors, the HKTb actively promoted a culture of service excellence to uphold the standard of visitor service of frontline staff.

HKTb Chairman Dr Peter Lam attended the Customer Service Excellence Programme Award presentation ceremony to applaud over 900 airport staff in recognition of their quality service.



HKTb Chairman Dr Peter Lam attended the Shopping Mall Awards 2016/2017 presentation ceremony, held by the *Hong Kong Economic Times*, as an officiating guest to commend the outstanding performance of local shopping malls.

Mr Anthony Lau, Executive Director of HKTb, supported the Top Service Award 2016, hosted by *Next Magazine*, and presented prizes to the award winners.



Ms Becky Ip, Deputy Executive Director of the HKTb, appointed the winner of the Most Courteous Immigration Control Officers Election as the new Hong Kong Courtesy Ambassador.

Enhancing networking across industries

We continued to maintain a close tie with our partners across the spectrum, including the travel trade, Legislative Council members, chambers of commerce, and scholars, to strengthen collaboration for tourism promotion.

HKTB Executive Director Mr Anthony Lau shared the HKTB's latest digital promotion strategy at a CEO luncheon organised by Google and exchanged ideas with our industry partners about online marketing.




Invited by the Hong Kong Management Association, HKTB Executive Director Mr Anthony Lau attended the organisation's Theme Year Forum as a keynote speaker to explain the HKTB's strategy to power up Hong Kong in the face of the current challenging environment to maintain Hong Kong's position as a leading travel destination.

Ms Becky Ip, Deputy Executive Director of HKTB, attended a discussion panel organised by the School of Hotel and Tourism Management of the Hong Kong Polytechnic University and shared the HKTB's creative initiatives and promotion strategies in the Mainland with Chinese officials and tourism industry delegates.



The HKTB met with industry representatives to give an overview of the HKTB's work.





Awards & Achievements

Destination – Hong Kong

- Best Business City in Asia, Best in Travel Poll 2016, *Smart Travel Asia* magazine
- Best Business City in Northeast Asia, Business Traveller China Awards 2016, *Business Traveller Asia-Pacific* magazine
- City Destination for Meetings and Events, Greater China, CEI Editors' Choice Awards 2017
- Favourite Business City in the World, Business Traveller China Awards 2016, *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 2016

Hong Kong Tourism Board

1. Organisation

HKTB

- Best Convention Bureau, Greater China, CEI Editors' Choice Awards 2017
- The Progressive Association, Exhibition Excellence Awards 2017, *Exhibition Showcase* magazine
- World's Leading Tourist Board, World Travel Awards 2016

HKTB's Seoul Office

- The Best National Tourism Office, *Korea Travel News*

2. Marketing Initiatives

"Best of All, It's in Hong Kong" brand campaign site

- Gold Award in the "Marketing Media – Website" category, PATA Grand and Gold Awards 2017
- Gold Award in the "Websites/Mobile Media: Brand Awareness" category, Mercury Awards 2016/2017
- Silver Award in the "Campaigns: Tourism/Destination" category, Astrid Awards 2017

DiscoverHongKong.com

- Silver Award, Web Accessibility Recognition Scheme 2016

DiscoverHongKong.com mobile site

- Silver Award in the "Corporate Website – Travel/Tourism" category, iNOVA Awards 2016
- Silver Award in the "Mobile Media: Mobile Website" category, Galaxy Awards 2016
- Bronze Award in the "Mobile Media: Mobile Sites" category, Questar Awards 2016

Discover Hong Kong Facebook Fan Page

- Gold Award in the "Marketing: Facebook" category, iNOVA Awards 2016
- Gold Award in the "Marketing Media – Social Media" category, PATA Grand and Gold Awards 2016
- Bronze Award in the "Mobile Media: Facebook Page" category, Galaxy Awards 2016
- Bronze Award in the "Self-Promotion: Facebook Page" category, Astrid Awards 2017

Discover Hong Kong Instagram Fan Page

- Silver Award in the "Social Media" category, iNOVA Awards 2016
- Silver Award in the "Social Media" category, Mercury Awards 2016/2017
- Bronze Award in the "Mobile Media: Social Media" category, Galaxy Awards 2016

“Event Capital of Asia” campaign

- Gold Award in the “Advertising: Multi-Media Campaign” category, Galaxy Awards 2016

“Happy@HongKong Super Jetso” campaign

- Gold Award in the “Video – DVD & Online: Tourism” category, Astrid Awards 2016

“Hong Kong Summer Fun” campaign

- Gold Award and the Best of Campaigns in the “Campaigns” category, Astrid Awards 2016
- Bronze Award in the “Promotion” category (campaign countdown), Astrid Awards 2016

“Hong Kong Wine & Dine Festival” Website

- Bronze Award in the “Corporate Website: Events” category, iNOVA Awards 2016

International Chinese New Year Night Parade – HKTb Parade Floats & Mascot

- Bronze Award in the “Special Projects: Other/Misc. – Holiday Event” category, Astrid Awards 2017

“I Never Knew” campaign

- Gold Award in the “Travel and Hospitality Marketing” category, Marketing Excellence Awards 2016, *Marketing* magazine

“My Hong Kong Guide” mobile app

- Bronze Award in the “Best App – Hospitality and Travel” category, Mob-Ex Awards 2017

New Year Countdown Celebrations 2015

- Grand Award in the “Marketing” category, PATA Grand and Gold Awards 2016
- Gold Award in the “Social Media” category, iNOVA Awards 2016
- Silver Award in the “Social Content & Marketing – Events” category, W3 Awards 2016
- Bronze Award in the “Promotion: Special Project” category, Galaxy Awards 2016

New Year Countdown Celebrations 2016

- Best of Social Media, Mercury Awards 2016/2017
- Gold Award in the “Social Media” category, Mercury Awards 2016/2017
- Gold Award in the “Promotion/Marketing: Social Media Campaigns” category, Mercury Awards 2016/2017

3. Public Relation Initiatives

“A Taste of Hong Kong” regional campaign (Season 3)

- Best of Publicity, Mercury Award 2016/2017
- Gold Award in the “Publicity: Celebrity Campaign” category, Mercury Award 2016/2017

“Hong Kong Sevens Bar Tram” campaign

- Honours Award in the “Special Events: Publicity” category, Galaxy Awards 2016

HKTb Annual Report 2014/15

- Silver Award in the “General Website - Corporate Communications” category, W3 Awards 2016
- Silver Award in the “Online Annual Reports: Tourism” category, iNOVA Awards 2016
- Bronze Award in the “Annual Reports – Online” category, Astrid Awards 2016
- Bronze Award in the “Custom Publication” category, Marketing Excellence Awards 2016, *Marketing* magazine

4. Visitor Services

Asia Pacific Customer Service Consortium – Customer Relationship Excellence (CRE) Awards 2015

- Customer Service Center of the Year (Tourism)

Hong Kong International Airport – Customer Service Excellence Programme 2016

- Individual Award: Chung Man Cheng
- Corporate Excellence Award: Joeie Wong, Windy Chiu, Ray Cheung, Janice Chan, Wing Li, Amanda Law, Lo Wai Kuen

Stevie Awards for Sales & Customer Service 2017

- Bronze Award under “Front-Line Customer Service Team of the Year – All Other Industries –100 or More Employees” classification in the “Customer Service & Contact Centre Team” category





Corporate Information

Corporate Governance

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

Structure and Management

The Board

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

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

Marketing and Business Development Committee (MBDC)

This committee provides strategic input and advice to the Board on its marketing direction and business development, reviews the draft annual business plan, and provides advice on new marketing directions and opportunities, global developments affecting tourism in Hong Kong, and strategies for enhancing the Board's external communications and industry relations. The committee meets 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 five Members from the Board with the General Manager, Human Resources & Administration acting as Committee Secretary.

Audit Committee (AC)

This committee provides advice to the Board on the adequacy of internal controls and the effectiveness and efficiency of the HKTb's operations, and is authorised to investigate any activities within its terms of reference. It reviews and endorses the annual audit plan to ensure adequate audit coverage of critical operations, reviews findings, recommendations and the implementation of actions arising from internal audit and other relevant authorities. It also reviews the annual audited financial statements before submission to the Board. The committee meets three times a year, and extraordinary meetings can be convened if necessary. It comprises a chairman and six 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 2017

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

(i) Appointment and Chairman of Staff & Finance Committee until 31 October 2016.

(ii) Appointment until 31 October 2016.

(iii) Appointment effective from 1 November 2016.

* Committee Chairman as at 31 March 2017.

Appointed as a member of Product & Event Committee with effect from 24 November 2016. There was no meeting held from 24 November 2016 to 31 March 2017.

~ Appointed as a member of Staff & Finance Committee with effect from 24 November 2016. There was no meeting held from 24 November 2016 to 31 March 2017.

^ Appointed as a member of Quality Tourism Services Committee with effect from 24 November 2016. There was no meeting held from 24 November 2016 to 31 March 2017.

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
- Internal Audit Department
- Marketing Division
- MICE & Cruise Division
- Strategic Planning & Insights Division
- Worldwide Offices

Other Information

About the HKTB

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

Primary Responsibilities & Missions

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

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

Objectives

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

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

Human Resources

At 31 March 2017, the total HKTB headcount numbered 377, of whom 131 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
- 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 Board, Pacific Asia Travel Association (PATA)
- 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

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

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, Philippines, Moscow, Dubai

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





Independent Auditor's Report

Independent Auditor's Report

Independent auditor's report to the Hong Kong Tourism Board

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

Opinion

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 94 to 130, which comprise the consolidated and the Board statements of financial position as at 31 March 2017, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2017 and of the Group's consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board members for the consolidated financial statements

The members of the Board are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, 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.

In preparing the consolidated financial statements, the members of the Board are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members of the Board either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements

(continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the Board.
- Conclude on the appropriateness of the Board members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Certified Public Accountants

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

27 July 2017

Consolidated Income Statement

for the year ended 31 March 2017 (Expressed in Hong Kong dollars)

	Note	2017	2016
General Fund			
Principal source of income	3		
Government subvention for the year		879,162,844	779,363,649
Other revenue			
Interest income		2,164,472	1,447,458
Realisation of deferred income – office premises	12	10,000,000	10,000,000
Sponsorships		31,565,765	28,503,043
Promotion and advertising income		13,950,509	12,457,542
Sundry income		27,943,953	26,315,132
		85,624,699	78,723,175
Other net loss			
Loss on disposal of fixed assets		(7,755)	(268,936)
Total income		964,779,788	857,817,888
Promotional, advertising and literature expenses		451,170,624	370,396,388
Research and product development		14,435,850	14,545,828
Local services and events		178,645,996	155,451,680
Staff costs	5(a)	246,722,438	237,711,095
Rent, rates and management fees		15,038,854	16,334,583
Depreciation	7(a)	15,267,061	13,553,419
Auditor's remuneration		490,670	475,268
Other operating expenses		26,947,075	12,466,624
Total expenditure		948,718,568	820,934,885
Surplus before tax for the year	5	16,061,220	36,883,003
Income tax	4	(111,754)	(28,781)
Surplus for the year		15,949,466	36,854,222

The notes on pages 100 to 130 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2017 (Expressed in Hong Kong dollars)

	2017	2016
Surplus for the year	15,949,466	36,854,222
Other comprehensive income for the year:		
Items that will not be reclassified to the income statement:		
– Remeasurement of net assets of defined benefit plans	7,511,000	(3,202,000)
Total comprehensive income for the year	23,460,466	33,652,222

The notes on pages 100 to 130 form part of these financial statements.

Consolidated Statement of Financial Position

as at 31 March 2017 (Expressed in Hong Kong dollars)

	Note	2017	2016
Non-current assets			
Fixed assets	7(a)	33,600,887	44,119,057
Defined benefit retirement plan asset	13(a)(i)	53,947,000	47,575,000
		87,547,887	91,694,057
Current assets			
Debtors, deposits and payments in advance	9	19,749,962	22,006,223
Tax recoverable		–	11,866
Deposits with banks and financial institutions	10	372,324,095	281,763,109
Cash at banks and in hand	10	7,696,658	5,749,056
		399,770,715	309,530,254
Current liabilities			
Receipts in advance		48,480,079	35,165,382
Accounts payable and accruals	11	214,314,611	155,096,664
Deferred income	12	10,000,000	10,000,000
Current taxation		101,181	–
		272,895,871	200,262,046
Net current assets		126,874,844	109,268,208
Non-current liability			
Deferred income	12	11,666,667	21,666,667
NET ASSETS		202,756,064	179,295,598
Represented by:			
RESERVES			
General Fund	14	202,756,064	179,295,598

Approved and authorised for issue on 27 July 2017.

Anthony Lau
Executive Director

Dr Peter Lam, GBS
Chairman of the Board

The notes on pages 100 to 130 form part of these financial statements.

Statement of Financial Position

as at 31 March 2017 (Expressed in Hong Kong dollars)

	Note	2017	2016
Non-current assets			
Fixed assets	7(b)	33,582,347	44,097,193
Defined benefit retirement plan asset	13(a)(i)	53,947,000	47,575,000
Interests in a subsidiary	8	551,876	551,876
		88,081,223	92,224,069
Current assets			
Debtors, deposits and payments in advance	9	19,127,887	21,148,860
Deposits with banks and financial institutions	10	372,324,095	281,763,109
Cash at banks and in hand	10	7,522,949	5,230,679
		398,974,931	308,142,648
Current liabilities			
Amount due to a subsidiary	8	2,411,969	229,340
Receipts in advance		48,480,079	35,165,382
Accounts payable and accruals	11	211,750,375	154,016,270
Deferred income	12	10,000,000	10,000,000
		272,642,423	199,410,992
Net current assets		126,332,508	108,731,656
Non-current liability			
Deferred income	12	11,666,667	21,666,667
NET ASSETS		202,747,064	179,289,058
Represented by:			
RESERVES			
General Fund	14	202,747,064	179,289,058

Approved and authorised for issue on 27 July 2017.

Anthony Lau

Executive Director

Dr Peter Lam, GBS

Chairman of the Board

The notes on pages 100 to 130 form part of these financial statements.

Consolidated Statement of Changes in Reserves

for the year ended 31 March 2017 (Expressed in Hong Kong dollars)

	2017	2016
General fund at the beginning of the year	179,295,598	145,643,376
Surplus for the year	15,949,466	36,854,222
Other comprehensive income for the year	7,511,000	(3,202,000)
Total comprehensive income for the year	23,460,466	33,652,222
General fund at the end of the year	202,756,064	179,295,598

The notes on pages 100 to 130 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2017 (Expressed in Hong Kong dollars)

	Note	2017	2016
Operating activities			
Surplus before tax for the year		16,061,220	36,883,003
Adjustments for:			
Interest income		(2,164,472)	(1,447,458)
Depreciation		15,267,061	13,553,419
Loss on disposal of fixed assets		7,755	268,936
Realisation of deferred income – office premises		(10,000,000)	(10,000,000)
Operating surplus before changes in working capital		19,171,564	39,257,900
Amount in defined benefit retirement plan asset recognised in the consolidated income statement	13(a)(v)	1,139,000	1,095,000
Decrease in debtors, deposits and payments in advance		2,677,526	1,791,352
Increase in receipts in advance, accounts payable and accruals		71,100,750	20,486,606
Cash generated from operation		94,088,840	62,630,858
Overseas tax refunded/(paid)		1,293	(42,464)
Net cash generated from operating activities		94,090,133	62,588,394
Investing activities			
Interest received		1,743,208	1,398,470
Purchase of fixed assets		(3,324,753)	(7,488,912)
Proceeds from disposal of fixed assets		–	281,203
Increase in deposit with bank with maturity of more than 3 months		(51,210,721)	(70,577,804)
Net cash used in investing activities		(52,792,266)	(76,387,043)
Net increase/(decrease) in cash and cash equivalents		41,297,867	(13,798,649)
Cash and cash equivalents at the beginning of the year	10	216,934,361	230,733,010
Cash and cash equivalents at the end of the year	10	258,232,228	216,934,361

The notes on pages 100 to 130 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. Significant accounting policies adopted by the Group are disclosed 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 2017 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 Group. 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.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (note 18).

(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 an entity controlled by the Group. The Group 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 Group 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, less their residual value, if any, 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

Both the useful life of an asset and its residual value, if any, are reviewed annually.

(h) Debtors, deposits and payment in advance

Debtors, deposits and payment in advance 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, deposits and payment in advance 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. Objective evidence of impairment includes observable data that comes to the attention of the Group about events that have an impact on the asset's estimated future cash flows such as significant financial difficulty of the debtors.

Impairment losses for trade debtors included within debtors, deposits and payment in advance whose recovery is considered doubtful but not remote are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the income statement.

(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.

2 Significant accounting policies (continued)

(k) Provisions and contingent liabilities

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(l) Impairment of assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that fixed assets and investment in a 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 the income statement 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 Meetings, Incentives, Conventions and Exhibitions (“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 bonuses, annual leave, and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.
- (ii) The Group operates a defined benefit and a defined contribution staff retirement scheme for the Hong Kong office, and defined contribution staff retirement schemes for certain overseas offices. Contributions made under the schemes applicable to each year are charged to the income statement for the year. Contributions for the defined benefit scheme of the Hong Kong office are made in accordance with the recommendations made by the actuary. Assets of the schemes, are held separately from those of the Group.
- (iii) Contributions to Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the income statement as incurred.

2 Significant accounting policies (continued)

(q) Employee benefits (continued)

- (iv) The Group's net obligation in respect of defined benefit retirement plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

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

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

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

2 Significant accounting policies (continued)

(r) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (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 business plan of budget and proposed programme of activities. The amount of the subvention recognised as revenue during the year is analysed as follows:

	2017	2016
Recurrent		
– Subvention for the year	632,060,299	706,143,517
Non-recurrent		
– Meetings, Incentives, Conventions and Exhibitions Promotion/Wine and Dine Festival/Image Booster Campaign/3D Projection Mapping/Enhancement of Digital Offer Project/Enhancement of CNY Program/New Year Countdown/Cruise Tourism Promotion in South China, Taiwan & India/Quality & Honest Promotion/Tencent Strategic Cooperation/Matching Fund for Overseas Tourism Promotion/Celebration of the 20th Anniversary of HKSAR/Production of Promotion Videos and Promotion Costs/Quality Tourism Services Scheme/Enhancing the Scale of HKTb's Mega Events and Promotion of Other Mega Events in Town/Waiving Participation Fees of the Travel Trade in Joining Promotion Missions/Funding Support for Small & Medium-Sized MIC Groups/Fly-cruise Promotion/Launching a Retail Booster Campaign/Supporting HKTDC's two Mega Overseas Promotion Events to be held in Bangkok and Frankfurt/Great Outdoors Hong Kong/Additional Manpower Resources for taking forward the Initiatives/Cruise Deployment Fund	247,102,545	73,220,132
	879,162,844	779,363,649

4 Income tax

Income tax in the consolidated income statement represents:

	2017	2016
Current tax – Overseas		
Provision for the year	111,754	28,781

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 Group, is charged at 17% of its estimated assessable profits (2016: 17%).

5 Surplus before tax for the year

The Group

(a) Staff costs

	2017	2016
Contributions to defined contribution retirement plans	9,953,839	7,945,852
Amounts recognised in respect of defined benefits retirement plans (note 13(a)(v))	1,139,000	1,095,000
Retirement costs	11,092,839	9,040,852
Salaries and other benefits	235,629,599	228,670,243
	246,722,438	237,711,095

(b) Other item

	2017	2016
Net foreign exchange loss/(gain)	150,835	(3,211,981)

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:

	2017		
	Executive Director	Other senior executives	Total
Basic salaries	4,406,000	23,438,000	27,844,000
Discretionary performance pay	619,000	1,841,000	2,460,000
Retirement benefit expenses, contract gratuities and other allowances	701,000	4,228,000	4,929,000
	5,726,000	29,507,000	35,233,000

6 Senior executives' pay and allowances (continued)

The Group (continued)

	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

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	2017 No. of senior executive positions	2016 No. of senior executive positions
1 – \$500,001 to \$1,000,000 (note (a))	2	1
2 – \$1,000,001 to \$1,500,000 (note (b))	2	3
3 – \$1,500,001 to \$2,000,000 (note (c))	3	1
4 – \$2,000,001 to \$2,500,000 (note (d))	3	5
5 – \$2,500,001 to \$3,000,000 (note (d)(iii))	2	1
6 – \$3,000,001 to \$3,500,000 (note (e))	–	1
7 – \$3,500,001 to \$4,000,000 (note (e))	1	–
8 – \$4,000,001 to \$4,500,000	–	–
9 – \$4,500,001 to \$5,000,000 (note (f))	–	1
10 – \$5,000,001 to \$5,500,000 (note (f))	1	–
	14	13

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 1 increased by 1 due to the vacant position in 2015/16 was filled.
- (b) One senior executive position moved from pay range 2 to pay range 4 due to full year impact in 2016/17.
- (c) Senior executive position under Pay range 3 increased by 2 due to the following movements:
 - (i) one senior executive position moved from Pay range 4 to Pay range 3 due to lower in foreign exchange rate for Hong Kong Dollar equivalent; and
 - (ii) one senior executive position moved from Pay range 4 to Pay range 3 due to overlapping period of position in 2015/16.
- (d) Senior executive position under Pay range 4 decreased by 2 due to the following movements:
 - (i) one senior executive position moved from pay range 2 to pay range 4 as described in (b) above;
 - (ii) two senior executive positions moved from Pay range 4 to Pay range 3 as described in (c) above; and
 - (iii) one senior executive position moved from Pay range 4 to Pay range 5 due to annual salary increases.
- (e) One senior executive position moved from Pay range 6 to Pay range 7 due to annual salary increases.
- (f) One senior executive position moved from Pay range 9 to Pay range 10 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 \$619,000 for the year ended 31 March 2017 (2016: \$587,000).

The remuneration of other senior executive positions for the year ended 31 March 2017 represents compensation for the Deputy Executive Director, seven General Manager positions (2016: six General Manager positions) and five Regional Director positions (2016: 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 2016	252,855,009	9,797,735	333,411	11,533,057	23,757,852	908,160	299,185,224
Additions	-	717,013	-	747,449	3,292,184	-	4,756,646
Transfer from work in progress	-	-	-	-	908,160	(908,160)	-
Disposals	-	(2,087)	-	(450,241)	(843,242)	-	(1,295,570)
At 31 March 2017	252,855,009	10,512,661	333,411	11,830,265	27,114,954	-	302,646,300
Accumulated depreciation:							
At 1 April 2016	220,826,703	7,490,493	298,680	10,251,115	16,199,176	-	255,066,167
Charge for the year	10,114,200	727,135	34,731	498,210	3,892,785	-	15,267,061
Disposals	-	(2,087)	-	(445,451)	(840,277)	-	(1,287,815)
At 31 March 2017	230,940,903	8,215,541	333,411	10,303,874	19,251,684	-	269,045,413
Net book value:							
At 31 March 2017	21,914,106	2,297,120	-	1,526,391	7,863,270	-	33,600,887

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 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

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 2016	252,855,009	9,797,735	333,411	11,490,792	23,747,085	908,160	299,132,192
Additions	-	717,013	-	741,843	3,292,184	-	4,751,040
Transfer from work in progress	-	-	-	-	908,160	(908,160)	-
Disposals	-	(2,087)	-	(445,824)	(843,242)	-	(1,291,153)
At 31 March 2017	252,855,009	10,512,661	333,411	11,786,811	27,104,187	-	302,592,079
Accumulated depreciation:							
At 1 April 2016	220,826,703	7,490,493	298,680	10,226,071	16,193,052	-	255,034,999
Charge for the year	10,114,200	727,135	34,731	491,597	3,890,468	-	15,258,131
Disposals	-	(2,087)	-	(441,034)	(840,277)	-	(1,283,398)
At 31 March 2017	230,940,903	8,215,541	333,411	10,276,634	19,243,243	-	269,009,732
Net book value:							
At 31 March 2017	21,914,106	2,297,120	-	1,510,177	7,860,944	-	33,582,347

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 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

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

	2017	2016
<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>	2,411,969	229,340

As at 31 March 2017, the Board assessed the interests in the subsidiary and no additional impairment loss was recognised during the years ended 31 March 2017 and 2016.

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 \$50,655 for the year ended 31 March 2017 (2016: \$51,155) 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	
	2017	2016	2017	2016
Debtors	2,596,578	3,985,691	2,596,578	3,985,691
Less: Provision for impairment loss of debtors	(19,117)	(19,117)	(19,117)	(19,117)
	2,577,461	3,966,574	2,577,461	3,966,574
Deposits and payments in advance	17,172,501	18,039,649	16,550,426	17,182,286
	19,749,962	22,006,223	19,127,887	21,148,860

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	
	2017	2016	2017	2016
Australian Dollars	280,874	355,752	280,874	355,752
Chinese Yuan	992,806	957,312	992,806	957,312
Euros	660,004	536,215	660,004	536,215
Great British Pounds	2,650,226	1,351,860	2,650,226	1,351,860
Japanese Yen	3,440,250	3,012,279	3,440,250	3,012,279
Korean Won	209,817	202,701	209,817	202,701
New Taiwan Dollars	546,495	895,393	–	–
United States Dollars	654,252	533,357	654,252	533,357

The gross amount of debtors, deposits and payments in advance at 31 March 2017 that is expected to be recovered after more than one year for the Group is \$3,078,958 and the Board is \$3,078,958 (2016: the Group is \$4,417,274 and the Board is \$4,212,991).

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	
	2017	2016	2017	2016
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 2016 and 2017, 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	
	2017	2016	2017	2016
Neither past due nor impaired	487,076	250,423	487,076	250,423
Less than 1 month past due	1,221,747	1,586,910	1,221,747	1,586,910
1 to 3 months past due	394,473	938,673	394,473	938,673
More than 3 months but less than 12 months past due	385,282	1,101,685	385,282	1,101,685
1 year or more than 1 year past due	88,883	–	88,883	–
	2,090,385	3,627,268	2,090,385	3,627,268
	2,577,461	3,877,691	2,577,461	3,877,691

10 Cash and cash equivalents

	The Group		The Board	
	2017	2016	2017	2016
Deposits with banks and financial institutions	372,324,095	281,763,109	372,324,095	281,763,109
Cash at banks and in hand	7,696,658	5,749,056	7,522,949	5,230,679
Cash and cash equivalents in the statement of financial position	380,020,753	287,512,165	379,847,044	286,993,788
Less: Deposits with banks and financial institutions with maturity of more than three months at acquisition	(121,788,525)	(70,577,804)		
Cash and cash equivalents in the consolidated cash flow statement	258,232,228	216,934,361		

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	
	2017	2016	2017	2016
Australian Dollars	365,463	342,549	365,463	342,549
Canadian Dollars	118,110	37,443	118,110	37,443
Chinese Yuan	301,291	405,592	301,291	405,592
Euros	451,547	340,938	451,547	340,938
Great British Pounds	654,055	400,978	654,055	400,978
Singapore Dollars	189,719	111,027	189,719	111,027
New Taiwan Dollars	136,732	394,248	–	–
United States Dollars	183,431	199,930	183,431	199,930

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 0.02% to 1.5% (2016: the Group and the Board ranging from 0.013% to 1.1%).

11 Accounts payable and accruals

	The Group		The Board	
	2017	2016	2017	2016
Accounts payable	172,560,384	108,196,215	171,069,878	107,904,327
Other payables and sundry creditors	41,754,227	46,900,449	40,680,497	46,111,943
	214,314,611	155,096,664	211,750,375	154,016,270

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	
	2017	2016	2017	2016
Australian Dollars	5,399,533	2,127,950	5,399,533	2,127,950
Chinese Yuan	9,992,298	6,068,386	9,992,298	6,068,386
Euros	3,342,446	2,659,166	3,342,446	2,659,166
Great British Pounds	3,644,500	1,951,938	3,644,500	1,951,938
Japanese Yen	3,299,835	5,345,439	3,299,835	5,345,439
Korean Won	3,361,333	3,530,478	3,361,333	3,530,478
Singapore Dollars	4,087,735	3,816,452	4,087,735	3,816,452
United States Dollars	6,512,135	1,811,901	6,512,135	1,811,901

The gross amount of accounts payable and accruals at 31 March 2017 that is expected to be settled after more than one year for the Group is \$7,632,620 and the Board is \$7,632,620 (2016: the Group is \$6,927,927 and the Board is \$6,798,205).

12 Deferred income

	The Group and The Board	
	2017	2016
Government subvention granted		
– 1994/95	250,000,000	250,000,000
Aggregate realisation:		
At 1 April	218,333,333	208,333,333
Realised during the year	10,000,000	10,000,000
At 31 March	228,333,333	218,333,333
Balance at 31 March	21,666,667	31,666,667
Less: Amount included in “current liabilities”	10,000,000	10,000,000
Amount included in “non-current liability”	11,666,667	21,666,667

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 10% (2016: 11%) 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:

	2017	2016
Present value of wholly or partly funded obligations	(31,682,000)	(37,141,000)
Fair value of plan assets	85,629,000	84,716,000
Defined benefit retirement plan asset	53,947,000	47,575,000

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:

	2017	2016
Equity securities		
– Pacific Basin	20,685,000	12,708,000
– Europe	9,117,000	11,078,000
– Americas	17,840,000	18,005,000
	47,642,000	41,791,000
Bond		
– Global Bond	38,434,000	42,168,000
Cash at banks	675,000	757,000
Benefit payable	(1,122,000)	–
	85,629,000	84,716,000

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:

	2017	2016
At 1 April	37,141,000	36,153,000
Remeasurements:		
– Actuarial (gains)/losses arising from changes in liability experience	(935,000)	712,000
– Actuarial (gains)/losses arising from changes in financial assumptions	(412,000)	364,000
– Actuarial losses arising from demographic assumptions	1,000	–
	(1,346,000)	1,076,000
Benefits paid by the plans	(6,089,000)	(2,239,000)
Current service costs	1,615,000	1,718,000
Interest cost	361,000	433,000
	(4,113,000)	(88,000)
At 31 March	31,682,000	37,141,000

The weighted average duration of the defined benefit obligation is 4.3 years (2016: 5 years).

(iv) Movements in fair value of plan assets:

	2017	2016
At 1 April	84,716,000	88,025,000
Benefits paid by the plan	(6,089,000)	(2,239,000)
Interest income	837,000	1,056,000
Return on plan assets, excluding interest income	6,165,000	(2,126,000)
At 31 March	85,629,000	84,716,000

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:

	2017	2016
Current service cost	1,615,000	1,718,000
Net interest on net defined benefit asset	(476,000)	(623,000)
Total amounts recognised in the consolidated income statement	1,139,000	1,095,000
Actuarial (gains)/losses	(1,346,000)	1,076,000
Return on plan assets, excluding interest income	(6,165,000)	2,126,000
Total amounts recognised in other comprehensive income	(7,511,000)	3,202,000
Total defined benefit costs	(6,372,000)	4,297,000

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

(vi) The principal actuarial assumptions used as at 31 March 2017 (expressed as weighted averages) and sensitivity analysis are as follows:

	2017	2016
Discount rate	1.30%	1.00%
Future salary increases	4.50%	4.50%

The below analysis shows how the defined benefit obligation as at 31 March 2017 would have increased/(decreased) as a result of 0.25 percentage points change in the significant actuarial assumptions:

	2017		2016	
	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	(337)	343	(455)	464
Future salary increases	333	(329)	456	(450)

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% (2016: 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 \$30,000. Contributions to the scheme vest immediately.

14 Reserves

	The Group		The Board	
	2017	2016	2017	2016
General fund at the beginning of the year	179,295,598	145,643,376	179,289,058	145,639,941
Surplus for the year	15,949,466	36,854,222	15,947,006	36,851,117
Other comprehensive income for the year	7,511,000	(3,202,000)	7,511,000	(3,202,000)
Total comprehensive income for the year	23,460,466	33,652,222	23,458,006	33,649,117
General fund at the end of the year	202,756,064	179,295,598	202,747,064	179,289,058

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 2017, 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	
	2017	2016	2017	2016
Within 1 year	10,876,245	11,542,812	10,649,710	11,328,855
After 1 year but within 5 years	9,089,225	11,539,423	9,063,224	11,500,429
	19,965,470	23,082,235	19,712,934	22,829,284

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.

16 Financial instruments (continued)

(b) Liquidity risk

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

The following tables detail the remaining contractual maturities at the 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

	2017				
	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	48,480,079	48,480,079	–	–	–
Accounts payable and accruals	214,314,611	206,681,991	3,816,714	1,606,499	2,209,407
	262,794,690	255,162,070	3,816,714	1,606,499	2,209,407

	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

16 Financial instruments (continued)

(b) Liquidity risk (continued)

The Board

	2017				
	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	48,480,079	48,480,079	–	–	–
Accounts payable and accruals	211,750,375	204,117,755	3,816,714	1,606,499	2,209,407
	260,230,454	252,597,834	3,816,714	1,606,499	2,209,407

	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

(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.

16 Financial instruments (continued)

(d) Foreign currency risk (continued)

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.

	2017		2016	
	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
Australian Dollars	5% (5)%	(237,660) 237,660	5% (5)%	(71,482) 71,482
Canadian Dollars	5% (5)%	(52,400) 52,400	5% (5)%	(19,269) 19,269
Chinese Yuan	5% (5)%	(434,910) 434,910	5% (5)%	(235,274) 235,274
Euro	5% (5)%	(111,545) 111,545	5% (5)%	(89,101) 89,101
Great Britain Pounds	5% (5)%	(17,011) 17,011	5% (5)%	(9,955) 9,955
Japanese Yen	5% (5)%	(10,441) 10,441	5% (5)%	(113,753) 113,753
Singapore Dollars	5% (5)%	(192,392) 192,392	5% (5)%	(176,413) 176,413
New Taiwan Dollars	5% (5)%	(54,296) 54,296	5% (5)%	42,124 (42,124)
Korean Won	5% (5)%	(156,381) 156,381	5% (5)%	(166,345) 166,345

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 2016.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2017 and 2016.

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 interpretations issued but not yet effective for the year ended 31 March 2017

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 7, <i>Statement of cash flows: Disclosure initiative</i>	1 January 2017
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 new issues or amendments is expected to be in the period of initial application. So far, the Group considers that the adoption of them is unlikely to have a significant impact on the Group's financial statements, except for HKFRS 16, *Leases*.

The application of HKFRS 16, *Leases*, is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the profit and loss account over the period of the lease.

The Group's operating lease commitments are disclosed in note 15, some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted.

With respect to HKFRS 16, given the Group has not completed its assessment of their full impact on the Group, their possible impact on the Group's results of operations and financial position has not been quantified.

