

# Unflinching commitment in an extra-special year

In this very special Olympic year, it gives me great pleasure to report that The Hong Kong Jockey Club enjoyed a successful 2007/08 season on all fronts.

Our total group turnover comfortably set new records, growing by 7.7% to HK\$108.5 billion. Our contribution to the public purse through tax and duty payments increased commensurately. Most important of all, we were able to maintain our long-standing commitment to the Hong Kong community through many different channels.

As regards the historic Beijing 2008 Olympics, the Club completed the construction of Hong Kong's equestrian event venues and handed them over to the organisers in good time and excellent shape, receiving favourable comments from many different quarters in the process.

It was a fulfilling year indeed, although the accelerating pace of other leisure and entertainment developments around the region has continued to give us frequent reminders that we can never be complacent, and that if the many benefits that the Club brings to Hong Kong are to be sustained, we must strive to be allowed fair room to evolve and embrace today's rapidly-changing world.

In terms of business operations, it was especially encouraging to see our core racing product show a continued upward trend, having the previous season reversed a 10-year period of decline. Horse race betting turnover grew 5.8% to HK\$67.7 billion, and new initiatives such as the Racing Club made a very promising start.

The increased racing turnover also meant that this year, we did not need to cover a shortfall on the minimum HK\$8 billion horse race betting duty payment that we guaranteed to Government for the first three seasons after betting duty reforms were agreed in 2006. This season's horse racing duty reached HK\$8.3 billion.

Adding to that football betting duty, lottery duty and profits tax, the Club's total contribution to the public purse was HK\$13.2 billion, the highest for 10 years and not far short of the record HK\$13.5 billion paid in the 1996/97 season.

On top of this, the Club contributed nearly HK\$1.1 billion to charitable and community projects through The Hong Kong Jockey Club Charities Trust, benefiting some 100 organisations in the community services, education and training, medical and health, and sports, recreation and culture sectors.

Major new projects for which funding was committed in 2007/08 included the launch of a citywide, HK\$350 million campaign to foster public awareness of environmental issues; the establishment of a new Human Research Institute at The University of Hong Kong; and the development of a Water Quality Forecast and Management System for Hong Kong. All these are projects that can have a profound effect on the quality of life of our people for generations to come.

While this in itself surely underlines the value of The Hong Kong Jockey Club's role in society, it is only one aspect of the many ways in which our Club contributes to the well being of Hong Kong and the nation. As a not-for-profit and socially responsible organisation, we aim to serve the community in everything that we do.

As one of Hong Kong's largest and most respected employers, the Club provides full- or part-time employment for some 25,000 people, and invests substantially in training programmes for part-time staff.

The Club is also able to make good use of its resources to mobilise public support at times of urgent need, which tragically occurred twice in the early part of this year with the terrible snowstorms across the Mainland in February, followed by the Sichuan earthquake disaster in May. In both cases we made immediate donations to the relief operations, as well as launching and co-ordinating public fund-raising drives through our network of off-course betting branches, racecourses and clubhouses. Together, these initiatives raised more than HK\$73 million to help those worst affected. The Club has now pledged a further substantial donation of HK\$1 billion to support suitable post-earthquake reconstruction projects in Sichuan.

Addressing the community's needs permeates the Club's business decisions, too. In the second half of 2007, when we identified the need to set up an additional Telebet Centre, we took the decision to locate it in Tin Shui Wai because it was clear that doing so could have the most positive and beneficial impact. When it opens in 2009, this new Centre will create some 2,500 new jobs in this disadvantaged area of Hong Kong.

Furthermore, we plan to combine the Telebet Centre with a Training Centre as well as a Volunteer Centre, which will encourage the new employees to get involved in helping others through our CARE@hkjc volunteer team. In this way, we can help the Tin Shui Wai community become more self-sustaining over the long term.

Another way in which we try to contribute to Hong Kong's long-term quality of life is by bringing trends of public concern to the fore. Last year I mentioned some of the initiatives the Club has taken to address issues such as domestic violence, declining family values and Hong Kong's growing elderly population.

Two other concerns that are increasingly in our radar are environmental protection and heritage conservation. In support of the Government's new approach of encouraging non-government organisations to apply for adaptive re-use of historic buildings, we announced in October a plan to conserve and revitalise the historic Central Police Station Compound at a cost of up to HK\$1.8 billion. This is a very substantial commitment but we take the view that this is perhaps the most important heritage site now remaining in Hong Kong, and the Club as a not-for-profit organisation is an appropriate party to take a proactive leadership role in its conservation. I should add that this funding will have no impact on our community donations through the Charities Trust.



Following a six-month public consultation period and our commissioning of a Conservation Management Plan earlier this year, I am pleased to report that the Chief Executive-in-Council gave his approval on 15 July for the Club and the Government to enter into a partnership to take the project forward. Taking account of public feedback, we will make a number of changes to the initial proposal. We strongly believe that the revitalised Central Police Station Compound can become an iconic new Hong Kong landmark for the enjoyment of residents and visitors alike.

In a similar vein, it bears repeating here that the Club's role as a major sporting entertainment provider continues to benefit Hong Kong's reputation internationally. Our night race meetings at Happy Valley have for many years been a "must see" tourist attraction, while our major racedays such as the Cathay Pacific Hong Kong International Races attract the world's finest horses, jockeys and

trainers, as well as bringing live coverage of Hong Kong's unique atmosphere to literally millions of television screens across the globe.

Hong Kong's co-hosting of the Beijing 2008 Olympic equestrian events has given our city a further opportunity to make its mark internationally, which is one reason why the Club has been prepared to contribute some HK\$1.2 billion in total to creating world-class equestrian venues and providing its professional expertise to the events. The Club's support has made it possible for Hong Kong to realise this once-in-a-lifetime dream.

In this regard, the huge overseas media interest that Hong Kong has attracted in the run-up to the Olympics really speaks for itself. Having already established Hong Kong as one of the premier horse racing jurisdictions, we have now put it firmly on the map as a world-class international equestrian venue, too. We have truly made Hong Kong The Equine Capital.

Looking further ahead, a Co-operation Agreement that we signed with the International Olympic Committee in April will also help ensure that Hong Kong's role as an Olympic city leaves a permanent legacy for our community, with the creation of a permanent Olympic Museum at Sha Tin, the first in China.

It was perhaps fitting that this Agreement should have been signed in Beijing on the same day that we opened our new Beijing Clubhouse, the Club's first physical presence on the Mainland. These two important developments exemplify the Club's growing influence and reputation in China and internationally.

In the years to come, it is the Club's hope that we can further help Hong Kong make its mark on the international stage, in addition to supporting the everyday community needs of its people.

It is appropriate here, nevertheless, to remind ourselves that both the Club and Hong Kong itself are facing enormous challenges in the leisure and tourism markets from elsewhere in the region. The huge recent growth of Macau as a gaming and entertainment destination is well known but it is by no means Hong Kong's only competitor. Within this region, Singapore, Thailand, Taiwan and Japan, among others, are all either exploring or already taking active steps to establish casino resorts. This is not just competition among gaming operators and products, it is competition among governments and tax authorities in Asia to win a share of this growing revenue pie, and it has to be said that Hong Kong is getting left behind in this race.

When we at The Hong Kong Jockey Club ask the Government for greater flexibility to compete in this growingly globalised market, we are not seeking to further our own interests but trying to help Hong Kong as a whole protect its important gaming revenues for the good of the community. Indeed, given the Club's world-class racing products and acknowledged expertise in this market, we can help Hong Kong attract more offshore inflows itself, if a suitable taxation framework can be put in place.

The market in which we and our competitors are operating has now moved well beyond pure gaming to embrace conventions, exhibitions and family entertainment, all of which are historically very important to Hong Kong's economy. This is certainly where the Club's strategic focus now lies, as exemplified by our continuous efforts to upgrade our racecourse facilities and develop racing into a lifestyle product.

The important message I want to leave you with here is that the rest of the world is moving fast and Hong Kong simply cannot afford to stand still.

In closing, may I express my warm thanks to all my fellow Stewards, Honorary Stewards, Voting Members and Members for their staunch support during the past year. We were deeply saddened by the passing of C K Hui, our Honorary Steward, during the year. We were also sorry to lose the services of David Eldon as a Steward and Deputy Chairman earlier this year due to the increasing demands of his overseas commitments, but are happy that he has accepted our invitation to become an Honorary Steward. We are pleased to welcome Iain Bruce to the Board of Stewards and to congratulate Brian Stevenson on his elevation to Deputy Chairman.

Most of all, I want to say a sincere thank-you to our Club management and staff for everything they have done during this exceptionally busy year. It has been no easy task to take on the extensive preparation works for the Olympics while maintaining normal business operations across the Club's wide range of activities, but as ever they have risen to the challenge and, indeed, taken our business to further new heights. Moreover, many of our people have still found time to devote to community work outside their normal duties. I feel very proud of them all.

**JOHN C C CHAN**  
Chairman  
24 July 2008

# 繼往開來 與時俱進 昂首闊步 跨越挑戰

回首二〇〇七/〇八季度，香港賽馬會業務穩步上揚，各方面均取得成功，而奧運的來臨，更為馬會竭力提升香港賽馬運動國際地位的工作平添動力。

馬會的總投注額達一千零八十五億港元，打破歷年紀錄，較去年上升百分之七點七，所繳納的稅款亦相應上升，為政府庫房帶來重要收入。最重要的，是我們可以繼續貫徹一直以來，透過不同渠道對香港社會所作出的承擔。

此外，馬會建成北京二〇〇八年奧運馬術比賽場地，並如期移交予籌組機構。我們為此歷史盛事提供世界級比賽設施，贏得各方稱譽讚賞。

雖然我們取得令人滿意的成績，但絕對未敢自滿。面對著區內其他城市消閒娛樂業務迅速發展的挑戰，加上全球市場瞬息萬變，各類消閒娛樂產品層出不窮，馬會必須致力爭取在公平環境下持續發展，方可繼續造福本港社群。

就馬會業務方面，我們的核心業務賽馬項目自上季成功扭轉過往十年跌勢後，今年繼續攀升，實在令人鼓舞。賽馬投注額達六百七十七億港元，較去季上升百分之五點八，而「競駿會」等一系列新項目亦已正式啟動，其發展大有可為。

根據二〇〇六年實行的博彩稅改革措施，我們需於首三個季度向政府繳付最少八十億港元的賽馬博彩稅；由於今季賽馬投注額上升，我們須繳付的賽馬博彩稅高達八十三億港元，高於最低稅款，故無需補付差額。

馬會季內繳付的賽馬博彩稅、足球博彩稅、獎券博彩稅及利得稅共達一百三十二億港元，創十年來新高，與一九九六/九七季度一百三十五億港元的最高紀錄亦相去不遠。

除此以外，香港賽馬會慈善信託基金年內撥出約十一億港元，支持約一百個慈善及社會項目，涵蓋社會服務、教育培訓、醫藥衛生，以及體育、康樂及文化等四大範疇。

二〇〇七/〇八年度，馬會資助的嶄新項目主要包括：捐款三億五千萬港元推行一項全港環境保護計劃，務求令公眾關注環境問題；成立香港大學人類研究中心；以及捐助研發香港近海水質預報及管理系統，大大提升香港市民及下一代的生活質素。

由此可見，馬會在本港社會擔當重要角色。事實上，我們對香港及祖國還有更多其他方面的貢獻，在此未能一一盡錄。我們深明作為非牟利機構的使命，就是要肩負社會責任，竭盡所能服務香港社會。

馬會是全港最大僱主之一，備受各界推崇。我們聘有約二萬五千名全職及兼職員工，一直以來均投放大量資源為兼職員工提供培訓。

今年年初，內地不幸遭逢兩次天災，馬會秉承著「一方有難 八方支援」的宗旨，即時調撥資源，集結市民力量賑災。二月的雪災及五月的四川地震災情嚴峻，馬會除撥出緊急捐款外，還發動全民關愛救災工作，在場外投注處、馬場及會所收集市民捐款。兩次捐款活動合共為災民籌得超過七千三百萬港元。此外，馬會更承諾撥出十億港元，協助四川地震災後重建工作。

事實上，馬會的業務決策亦顧及社會需要。二〇〇七年下半年，我們決定在天水圍設立全新的電話投注中心，此舉不但為應付本身業務所需，同時亦考慮為社會帶來利益，因為中心於二〇〇九年開幕時，將會為天水圍社區帶來約二千五百個就業機會。

再者，我們計劃結合電話投注中心與義工及培訓中心，鼓勵新僱員透過香港賽馬會義工隊參與社會服務，長遠而言達致助人自助的目標。

此外，馬會積極喚起市民對公眾問題的關注，致力改善香港市民的生活質素。去年，我已提及馬會就解決家庭暴力、家庭觀念薄弱及香港人口老化等問題而推出的一些項目。

環境保護及文物保育也是我們極度關注的兩大問題。政府早前推出一項嶄新計劃，邀請非政府組織參與活化保育歷史建築計劃。我們於去年十月宣佈一項斥資十八億港元、保育及活化中區警署建築群的建議計劃。我們認為，中區警署建築群是香港現存的最重要文物之一，而馬會作為非牟利機構，絕對適合承擔此項重大責任，因而主動提出中區警署建築群活化保育計劃。我必須強調，此項計劃不會影響馬會慈善信託基金對其他項目的撥款。

我們在去年十月起就中區警署建築群保育計劃進行六個月的公眾諮詢，並於今年初委聘知名建築師事務所擬備保育建議方案。我們喜見特區行政長官會同行政會議於七月十五日通過由馬會及政府以夥伴合作方式，推展活化中區警署建築群的計劃。馬會將參照公眾意見修改初步的建議構思方案。我們絕對有信心，活化後的中區警署建築群將成為香港的耀目新地標，為市民及旅客提供休閒及娛樂的好去處。

除上述計劃外，馬會致力提供體育娛樂活動，持續提高香港在此方面的國際聲譽。我們的跑馬地夜賽早已成為旅客必到的旅遊景點，而我們舉辦的大型賽事，如國泰航空香港國際賽事等，吸引全球頂尖佳駒、騎師及練馬師參加，並作海外直播，向全球數以百萬計的電視觀眾展示香港賽馬的熱鬧氣氛。

令人振奮的是，香港協辦北京二〇〇八年奧運會馬術比賽，可進一步向國際社會展示魅力。正因如此，馬會撥款合共約十二億港元，興建世界級奧運馬術場地，並提供專業支援和服務。在馬會支持下，香港終圓奧運夢，獲得千載難逢的奧運協辦良機。

香港在馬會支持下協辦奧運，海外傳媒大幅報道籌辦過程，產生極大宣傳作用。我們早已將香港打造成為主要的賽馬運動城市之一，現在更在此興建國際知名的世界級馬術場地。毋庸置疑，馬會已將香港發展成為一個名符其實的「馬運之都」。

展望未來，我們於四月與國際奧委會簽訂《合作協議》，將在沙田設立中國首間永久的奧林匹克博物館，確保香港協辦奧運的歷史，得以承傳，為香港社會帶來長遠裨益。

上述《合作協議》於馬會在內地設立的首間會所—全新北京馬會會所—開幕當天在北京簽訂，印證馬會在內地以至國際社會的影響及聲譽日趨重要。

在未來日子，馬會除了因應市民需求，繼續致力改善大家的生活質素外，並會更進一步協助提升香港在國際舞台上的地位。

當然，我們必須緊記，馬會及香港的消閒及旅遊市場，正在面臨區內其他地方蓬勃發展所帶來的重大考驗。澳門近年迅速發展成為博彩及娛樂中心，是香港重大挑戰之一。區內正在發展或已開始籌建賭場渡假村的地方，包括新加坡、泰國、台灣及日本等。此等地方所帶來的競爭不只涉及博彩營運商及產品，還同時影響亞洲各地政府及稅務機關，在政策及稅務安排上互相比拼。各地政府均致力在收益日增的博彩市場分一杯羹，但香港在這方面卻遠遠落後於其他地方。

香港賽馬會建議政府增加稅務靈活性，提升我們在日趨全球化的博彩市場的競爭力，旨在為香港整體社會保障我們的重要博彩收入，而絕非為增加馬會本身的利益。實際上，馬會提供世界級賽馬產品並擁有賽馬專業知識，在合適的稅制下，絕對可以為香港帶來更多海外收入。

現時，馬會與海外各地的博彩業競爭已不限於博彩活動本身，而是包括會議、展覽及家庭娛樂的整體配套設施，此等設施向來對香港經濟至為重要。馬會的現行策略亦朝著此方向發展。因此，我們一直致力提升馬場設施及將賽馬活動發展成為時尚生活的一部分。

在此，我必須指出，世界各地正在迅速發展，香港絕對不能墨守成規，固步自封。

最後，我謹向董事局同寅、名譽董事、遴選會員及會員致以萬分謝意，感激他們過去一年對馬會的大力支持。年內，名譽董事許晉強先生不幸辭世，令人深感惋惜。此外，艾爾敦先生因海外業務日益繁重而辭去馬會董事及副主席職務，但已接受我們邀請，擔任名譽董事。我們亦在此歡迎布魯士先生加入董事局，並恭賀施文信先生榮升副主席。

在此，我特別感謝馬會管理團隊及員工，在這忙得不可開交的一年緊守崗位，努力工作。能夠在維持馬會日常多元化業務運作的同時，投身奧運的繁重籌備工作，實在殊非易事，但他們仍能一如既往，不負所望，戰勝挑戰，合力將馬會業務推向高峰。對於有不少員工還可在百忙中抽空參與義務工作，為社會各方人士服務，實在令我引以為傲。

**主席 陳祖澤**

二〇〇八年七月二十四日