

# CHIEF EXECUTIVE'S STATEMENT

## 行政總裁業務報告

Last year we stated "standing still is not an option" if the Club is to sustain its racing operations and maintain its level of charitable donations. We proposed the modernisation of horse racing betting duty and a relaxation of the regulatory framework on racing in line with the successful model established by football betting. We have made some progress, with the Government agreeing to reform betting duty and to move to a tax on gross profit margin. As we wait for the legislative process, we are optimistic we will gain the support we need to fulfil our commitment as a world leader in racing, betting and sporting entertainment and to remain Hong Kong's premier charity provider.

**G**roup turnover this year was HK\$97.19 billion, which included a full-year's contribution from football betting operations. Racing turnover, however, declined for an eighth straight year, though the annual rate of decline was slowed somewhat as a result of successful marketing efforts in the face of growing legal and illegal competition for the betting dollar.

The Club remains Hong Kong's single largest taxpayer, this year paying a total of HK\$12.34 billion including HK\$8.35 billion in racing betting duty and HK\$2.03 billion in gross profit tax on football betting. The Club also continues to be Hong Kong's most significant benefactor, donating HK\$1.02 billion to over 100 charity and community projects through The Hong Kong Jockey Club Charities Trust.

This was a breakthrough year for our vision of becoming a world leader in racing, sporting and betting entertainment. Our international races, the Cathay Pacific Hong Kong International Races and the Audemars Piguet QE II Cup, attracted top horses to compete in some of the most international racing anywhere. Together with the Japan Racing Association we inaugurated a new international championship, the Asian Mile Challenge, which is already set to expand into a wider competition.

Yet it was our horses that truly put Hong Kong on the world sporting map this year. In particular two horses, *Silent Witness* and *Cape Of Good Hope*,

captured the imagination of race fans worldwide. *Silent Witness*, already ranked the world's top sprinter, became the focus of huge local and international attention in his successful bid to win 17 consecutive races. *Time* magazine was moved to name him one of the world's most influential 'people' in 2004. *Cape Of Good Hope* carried the flag for Hong Kong in Australia and Europe, and with wins in the Australia Stakes and the Golden Jubilee Stakes of Royal Ascot, earned the title of Global Sprint Series Champion. In all a record 23 Hong Kong horses were rated 110 and above in the 2004 World Thoroughbred Racehorse Rankings.

Successes such as these enhance Hong Kong's reputation as a centre of international sporting excellence. This was clearly influential in the Olympic Committee's selection of Hong Kong to stage the equestrian competition during the 2008 Beijing Olympic games. The Club is proud to be the venue provider for these events and will do its utmost to make them a truly memorable occasion for Hong Kong.

Our higher profile is also attracting the interest of racing fans around the world. This year we provided new or expanded simulcasting of our races to Canada, the United States, Singapore, Malaysia, New Zealand and Australia. With the proposed tax and regulatory regime in place Hong Kong has substantial potential to broaden its customer base.

This year also saw substantial improvements at racetracks and off-course in line with our commitment



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to provide customers with the very best in facilities and service. Sha Tin saw the opening of a new Owners Pavilion and a spectacular new covered Parade Ring, the only one in the world with a retractable roof. Off-course, a further 31 Off-Course Betting Branches were fully refurbished. Further refurbishment work is already under way at both racecourses to air-condition key public areas and to substantially renovate designated Members' and Owners' facilities.

The Club continues to bring sporting action closer to customers and to enhance information accessibility. STRIDE, the world's first system capable of tracking the position of all horses in real-time is now fully operational at both racecourses while this year saw the full launch of Easy Form, SpeedPick and new audio channels on the Club's web site. Meanwhile customers at many Off-Course Betting Branches were provided with uninterrupted race coverage, live telecast of selected football

matches and special video programming. These and other improvements helped the Club increase overall customer satisfaction ratings. Mainland visitors also endorsed the Club by voting us as one of Hong Kong's Best Brands.

This year was the first full year of our football betting service and the results have been very positive. It must be stressed that this achievement in part reflects the flexibility of the regulatory framework, which enables the Club to compete directly with illegal operators through fast roll-out of bet types and wide coverage of football leagues. It is also clear evidence that, given the opportunity, the Club has the capability to become a world leader in betting entertainment.

Our Membership Services Division continued its journey to excellence in providing for the needs of 23,000 Members and their families. Among this year's achievements, the new Owners Pavilion at Sha Tin Racecourse and the improved Owners' boxes at both racecourses attracted higher patronage, while the new Chater Room at Happy Valley Clubhouse became a most sought after venue for private and corporate functions. It was also a remarkable year on the culinary front, with an unforgettable series of visits from award-winning chefs including a return of top chefs from Beijing's Diaoyutai State Guesthouse. Our own chefs did us proud by winning numerous culinary awards including 22 medals at the Hong Kong International Culinary Classic 2005 and another three at local events.

Upholding customer satisfaction requires staff dedication and the Club maintained its high level of commitment to staff training. Membership Services' "Journey to Excellence" programme entered its fourth year, while On-Course Betting Services introduced 1,300 part-time staff to its Field Coaching Training Programme, and Off-Course Betting Services created a special "Service with Pride" programme for frontline supervisory staff.

This was also an important year for Charity with a particular focus on more proactive involvement in projects that address long-term community needs. One such example was our HK\$400 million commitment to the "P.A.T.H.S. to Adulthood" scheme – a project involving five universities, the Social Welfare Department and the Education and Manpower Bureau (EMB) to provide positive youth development programmes for secondary one to three students.

Another example is the Club's HK\$13 million "Hong Kong Jockey Club Award Scheme for Hong Kong Student Leaders: National Education Course". This three-year project is aligned with EMB curriculum reforms and will enable 1,500 local students to visit Beijing to gain a first-hand understanding of China's development.

With a view to optimising the effectiveness of its donations, the Club has worked with charity partners to implement a new Community Project Grant funding mode. To date some 61 charity organisations from the Club's annual subvention list have obtained grants for projects lasting for three years.

The Club was gratified to receive a "Partner in Charity Award" from The Community Chest of Hong Kong in recognition of the key role we have played in funding its operations over the past thirty years. The Club's subvention and provision of the office at a nominal rent of HK\$1 have enabled the Chest to direct every dollar of its donations to community development.

The charitable spirit was very clearly evident among our frontline employees as the Club mobilised its resources to raise funds from the public, staff and Members in aid of the victims of the Asian tsunami. This effort resulted in the collection of HK\$53 million, including a HK\$10 million donation from the Club.

All of the achievements of this and past years are the product of the Club's unique not-for-profit business model which year-in year-out delivers sporting entertainment, tax revenue and charity support to Hong Kong. Yet this model is under attack from illegal and unauthorised offshore betting operators who use the loophole of Hong Kong's betting tax and regulatory system to erode racing turnover, reduce racing's tax return to Government and threaten charity support. Government has since tabled before the Legislative Council a proposal to change the betting duty on racing to one based on gross profit margin, and to relax the regulatory framework to one similar to that governing football betting. We believe it is crucial for the long-term viability of the Club that such a package is approved. Doing so will not only enable us to compete with illegal and unauthorised offshore operators but make it possible to offer attractive racing products to other jurisdictions including pool co-mingling. These measures will ultimately enable us to tackle illegal bookmaking and safeguard and perhaps grow

our tax and charity contributions.

I should add that illegal and unauthorised betting is a worldwide threat to social welfare, government revenue and racing livelihoods, with betting exchanges being a particular concern. The International Federation of Horseracing Authorities, racing's top body, has taken up the issue with the World Intellectual Property Rights Organisation, under the umbrella of the United Nations. The Hong Kong Jockey Club, as Chair of the Asian Racing Federation, is also continuing to spearhead efforts to unite all jurisdictions under the Good Neighbour Policy and to lobby governments to enact legislation to protect welfare and revenue.

This has been an exceptionally busy year for the Club involving both business expansion and a continued focus on cost management and productivity enhancement. The Club would not have been able to meet these challenges without the dedication and support of its 4,300 full-time and 18,000 part-time staff. After several years of pay freezes and a pay cut two years ago, I am therefore pleased to announce that all full-time staff will receive a salary increase and higher performers will receive discretionary performance awards. This award was made in consideration of market trends and the Club's business results this year, and is in line with the Club's policy of moving towards a performance based variable pay structure.

It is with regret that we bid farewell to Timothy McNally, Executive Director of Security and Corporate Legal Services after six years with the Club. We wish him well. The Club welcomes his successor, Stephen Chandler, a veteran police officer, who will join us in September 2005. We are also sad to be losing Steve Beason, Executive Director of Information Technology, who is returning to the United States for family reason, after seven years with us.

In closing, I would like to express the Board of Management's appreciation for the guidance and support of the Board of Stewards throughout the year. We also convey our sincere gratitude to staff for their dedication and hard work this year, and to our Members, customers and partners for their unwavering support for the Club's vision and mission.

**Lawrence T Wong** *Chief Executive*  
18th July 2005

香港賽馬會要維持賽馬業務，並保持對慈善公益的捐獻水平，我們早已於去年就指出，必須「尋求突破，永不停步」。因此，我們建議效法規範化足球博彩的繳稅安排，把賽馬博彩稅制現代化，同時放寬現行的賽馬規管機制。在這方面，目前已取得一些進展，現獲政府同意，改為按毛利徵收博彩稅。雖然有關的立法程序仍有待進行，但我們有信心會獲得各界的支持，讓馬會可以履行承諾，為市民提供世界最高水平的賽馬、博彩及體育娛樂，同時保持全港最大慈善資助機構的地位。



會的全年營業總額達九百七十一億九千萬港元，當中包括足球博彩全年營業的貢獻。但與此同時，賽馬投注額卻連續第八年下降；為了面對日益增多的娛樂業和抗衡非法賭博經營者激烈的競爭，我們加強了市場推廣工作，並取得理想效果，使本年度賽馬投注額的跌幅放緩。

馬會仍然是全港納稅最多的機構，今年繳付稅款合共一百二十三億四千萬港元，其中包括賽馬博彩稅八十三億五千萬港元，以及足球博彩毛利稅二十億三千萬港元。馬會繼續是全港最大的公益資助機構，年內透過香港賽馬會慈善信託基金，總共撥捐十億二千萬港元，資助一百多項慈善公益計劃。

我們一向致力將香港賽馬、體育及博彩娛樂的質素提升至世界最高水平，今年是取得突破性成績的一年。我們舉辦的國際賽事，包括國泰航空香港國際賽事和愛彼錶女皇盃，均能吸引世界各地的頂級賽駒來港角逐，令這些賽事成為名副其實的國際大賽。今年，本會還與日本中央競馬會攜手合作，創辦一項國際錦標賽—亞洲一哩挑戰賽；這項錦標賽的規模將會逐步擴大，並吸引更多國家的馬匹前來參賽。

今年，本地佳駒在國際馬壇大放異彩，特別是為港爭光的「精英大師」和「好望角」，牠們的傑出表現，贏得世界馬迷的熱烈追捧。榮膺世界短途馬王的「精英大師」取得十七連勝的佳績，在本地和國際上引起哄動，成為萬眾矚目的焦點。牠更被《時代雜誌》評為二〇〇四年全球一百位最具影響力「人物」之一。而「好望角」則代表香港遠征澳洲和歐洲，先勝出澳洲錦標，繼而在英國競逐皇家雅士谷賽事金禧錦標，勇奪冠軍，順利登上世界短途挑戰賽盟主寶座。此外，在二〇〇四年世界純種競賽馬匹排名表中，香港共有二十三駒獲評一一〇分以上，創下本港歷來的最高紀錄。

這些成就進一步確立了香港作為國際體壇盛事舉辦地的卓越地位。國際奧林匹克委員會選擇由香港協辦二〇〇八年北京奧運的馬術比賽，與此不無關係。馬會很榮幸能

為奧運馬術比賽提供場地，並將竭盡所能做到最好，令這次賽事成為全港市民永誌難忘的盛事。

本會的國際聲譽不斷提高，引起世界各地馬迷對香港賽事的興趣。今年有更多國家越洋轉播我們的賽事，而原先與本會簽訂轉播協議的國家又增播了更多場次；這些國家包括加拿大、美國、新加坡、馬來西亞、紐西蘭和澳洲。當改革稅制和規管架構的建議獲得通過後，馬會將大有擴展顧客層面的潛力。

過去一年，為貫徹向顧客提供最佳設施和優質服務的宗旨，我們分別在馬場和各場外投注處進行了大規模的改善工程。全新的馬主專用設施「賞駿台」，以及全球首個設有活動天幕、外觀宏偉的馬匹亮相圈，均已在沙田馬場落成啟用。此外，對三十一間場外投注處進行了全面翻新工程。在兩個馬場內，為公眾席裝設空調系統，以及翻新部分會員和馬主設施等工程現已展開。

馬會為了方便顧客捕捉賽事的動感和掌握更多賽馬資訊，全球首套能即時追蹤馬匹位置的系統「計時寶」，已在兩個馬場全面投入服務。今年，我們還在網上推出全新的「智易表」、「速勢榜」和增設了「馬會電台」。同時，多間場外投注處均為顧客全程直播賽馬實況、即場轉播精選足球賽事，以及播映各項特備節目。上述各方面的改進，令顧客對本會的整體滿意程度有所提升，而內地旅客更投票評選馬會為他們最喜愛的香港名牌之一。

今年是本會全年提供足球博彩服務的第一年，所錄得的業績令人鼓舞。但我們須知，取得這項成果的部分原因，是由於規管機制靈活，讓馬會可以及時推出各種博彩方式，並可加設更多受注賽事，藉此與非法莊家直接進行競爭。這亦充分顯示，馬會只要有機會，必定有能力在世界博彩娛樂業取得領導地位。

會員事務處的工作繼續精益求精，為迎合二萬三千名會員和他們家人的需要，精心籌謀，今年取得多項佳績：沙田馬場新近啟用的「賞駿台」和兩個馬場經翻修的馬主廂房，均能吸引更多會員光臨；跑馬地會所全新裝修的「青雲閣」，已成為舉行私人宴會或公司活動的熱門地點。在餐飲服務方面，我們也取得可喜成績，多位譽滿國際的

名廚今年曾在各會所擔任客席廚師，為會員烹製環球美食，令人回味無窮，北京釣魚台國賓館的頂級廚師今年更是載譽重來。馬會廚師憑藉出色的廚藝，今年屢獲大獎，其中包括在二〇〇五年香港國際美食大獎中合共奪得二十二面獎牌及在本地賽事中另取得三面獎牌，令本會深感自豪。

要維持顧客的滿意程度，實在有賴熱誠服務的員工；因此，馬會對員工培訓的工作從未稍有鬆懈。會員事務處推行的「卓越之旅」計劃今年已踏入第四年；馬場投注事務部亦為一千三百名兼職員工推出實地培訓計劃，而場外投注事務部則為前線管理人員特別設計一項名為「優質服務，引以為傲」的培訓計劃。

在慈善事務方面，今年亦是重要的一年，因為我們的工作更著重放在積極參與多項針對社會長遠需要的計劃。其中一個項目，是撥款四億港元資助「共創成長路－賽馬會青少年培育計劃」。這項計劃的參與機構包括五間大學、社會福利署及教育統籌局，其目的在於為中一至中三的學生提供有益身心的青少年發展計劃。

另一個項目是撥款一千三百萬港元，資助「香港賽馬會香港領袖生獎勵計劃：國情教育課程」。這項為期三年的計劃，與教育統籌局推行的課程改革互相配合，讓一千五百名本地學生前往北京親身了解國家各方面的發展情況。

為達到善用撥款的目標，本會今年在各慈善夥伴的支持下，推行全新的社區資助計劃撥款模式。迄今約有六十一家名列本會週年撥款名單的慈善機構，已獲本會資助開辦為期三年的各項社區計劃。

香港公益金為表彰馬會過去三十年來，一直大力提供資助，特別向本會頒發「公益慈善夥伴大獎」，令我們深感欣慰。多年來，本會除撥款給予資助外，更以一港元的象徵式租金，為公益金提供辦事處，直接減低其營運開支，協助公益金把善款全數用於社會發展用途。

為協助受南亞海嘯影響的災民，馬會運用轄下資源，向市民、員工和會員進行募捐。參與募捐行動的馬會員工，充分發揮熱心公益的精神，合共籌得五千三百萬港元善款，當中包括由馬會捐出的一千萬港元捐款。

能取得這些令人驕傲的工作成果，皆因馬會以獨特的非牟利模式經營，可以同時為市民提供體育博彩娛樂、為政府帶來稅收，並資助本港各種類型的慈善公益計劃。可惜這種行之有效的模式，正受到非法及未獲授權的離岸莊家的威脅。他們利用本港博彩稅制和監管制度的漏洞，掠奪賽馬投注額、蠶食政府的賽馬稅收，以及威脅本港的慈

善捐獻。馬會建議將現行的賽馬博彩稅制改為按毛利徵稅，並仿效足球博彩的監管架構，放寬對賽馬的監管。政府已同意將建議提交立法會討論。我們相信，只有通過這些建議，馬會的長期生存能力才可以得到保障。透過推行這些改革，我們不但能夠與非法及未獲授權離岸的莊家競爭，更可向其他賽馬機構提供具有吸引力的產品，包括聯合彩池等。這些措施最終有助於我們對抗非法經營者，將可保障及增加政府稅收和馬會的慈善捐獻。

我們必須看到，非法及未獲授權的博彩情況，正在威脅全球各地的社會民生、政府稅收及賽馬從業人員的生計，當中尤以對賭投注最令人關注。賽馬業最高權力機構國際賽馬組織聯盟，已與聯合國轄下的世界知識產權組織展開合作，共同設法解決問題。香港賽馬會作為亞洲賽馬聯盟的主席成員，會繼續努力團結「賽馬博彩之好鄰居政策」協議的簽署機構，游說各自的政府制訂法例，以保障社會福利和政府稅收。

對於馬會來說，今年是特別繁忙的一年。我們一方面要擴展業務，另一方面要繼續進行成本控制及提高生產力的工作。經過大家的努力，我們終於能夠克服各種挑戰，能夠有這樣出色的表現，全賴四千三百名全職員工及一萬八千名兼職員工的貢獻和支持。經過數年的凍薪及兩年前的減薪後，我很高興地宣佈，所有全職員工今年均獲加薪，而表現優異的員工，更會獲得優越表現獎金。一如以往，馬會是因應市場趨勢及業績，同時配合以工作表現為基礎的薪酬政策，酌情向表現優越的員工發放獎金。

在人事調配方面，保安及公司法律事務執行總監麥理年先生在本會任職六年後離任，我們祝福他在未來的日子事事順遂。另一方面，我們歡迎麥理年的繼任人陳德立先生加盟；他是一位資深警務人員，將於二〇〇五年九月履新。此外，服務了馬會七年的資訊科技事務執行總監卞以信先生，因家庭理由需返回美國，對於他的請辭，我們深感可惜。

最後，謹代表管理層對各位董事給予的指導和支持，表示謝意。另外，感謝全體員工於過去一年盡忠職守、辛勤工作，亦感謝各位會員、顧客和合作夥伴對本會的目標和使命，給予堅定不移的認同和支持。

行政總裁 黃至剛

二〇〇五年七月十八日