

Industry Profiles

Speaker:

William A. Nader

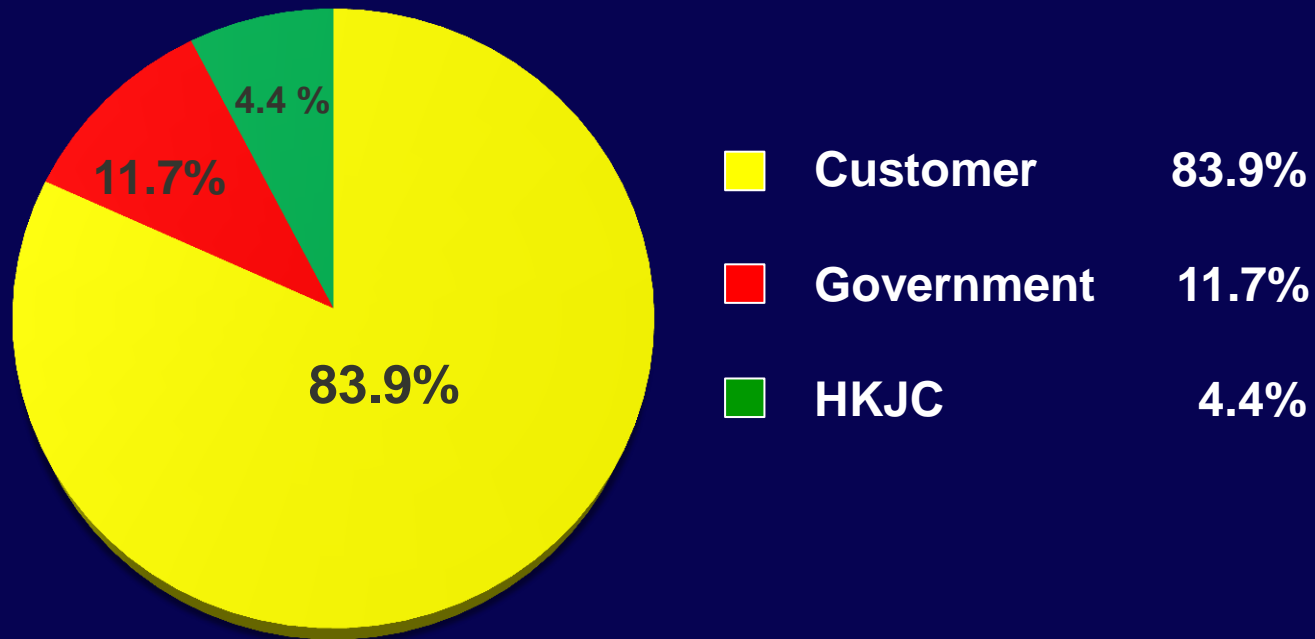
Executive Director of Racing, The Hong Kong Jockey Club

Hong Kong Racing Model

Bill Nader
Executive Director of Racing



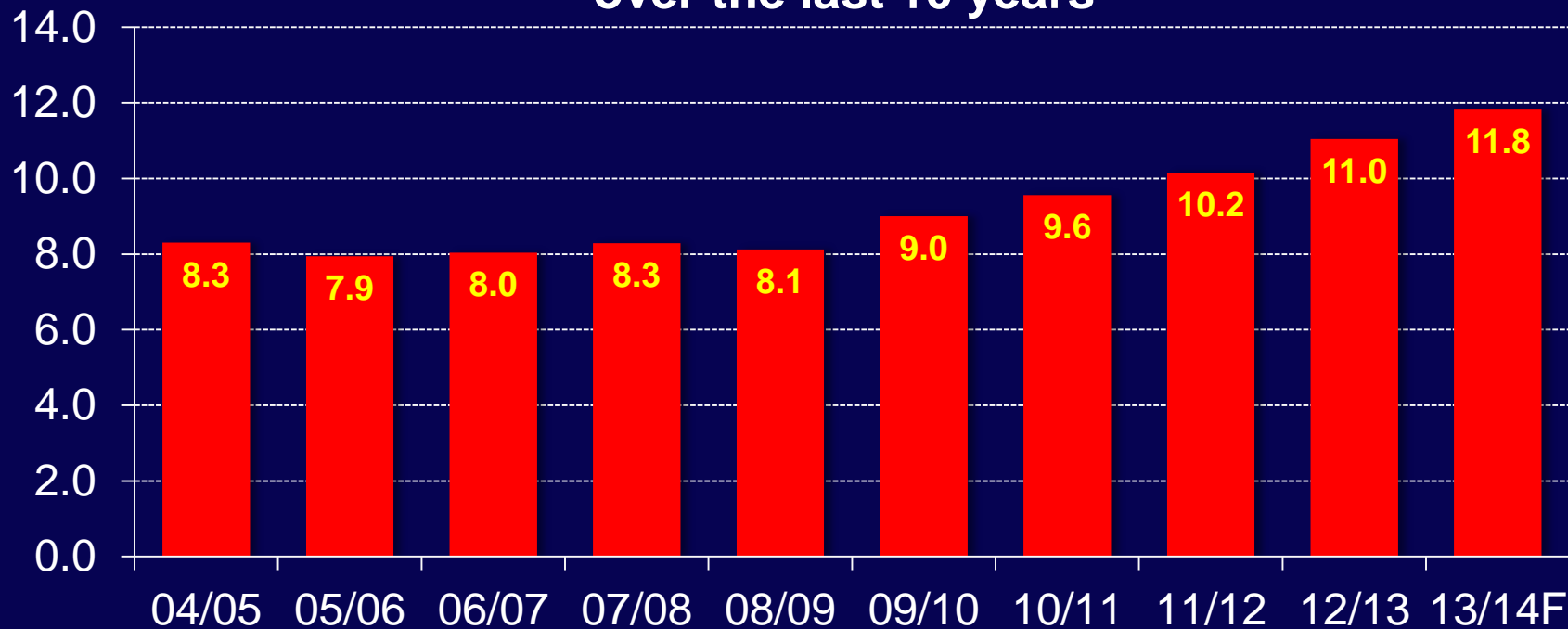
Distribution of HK Betting Dollar





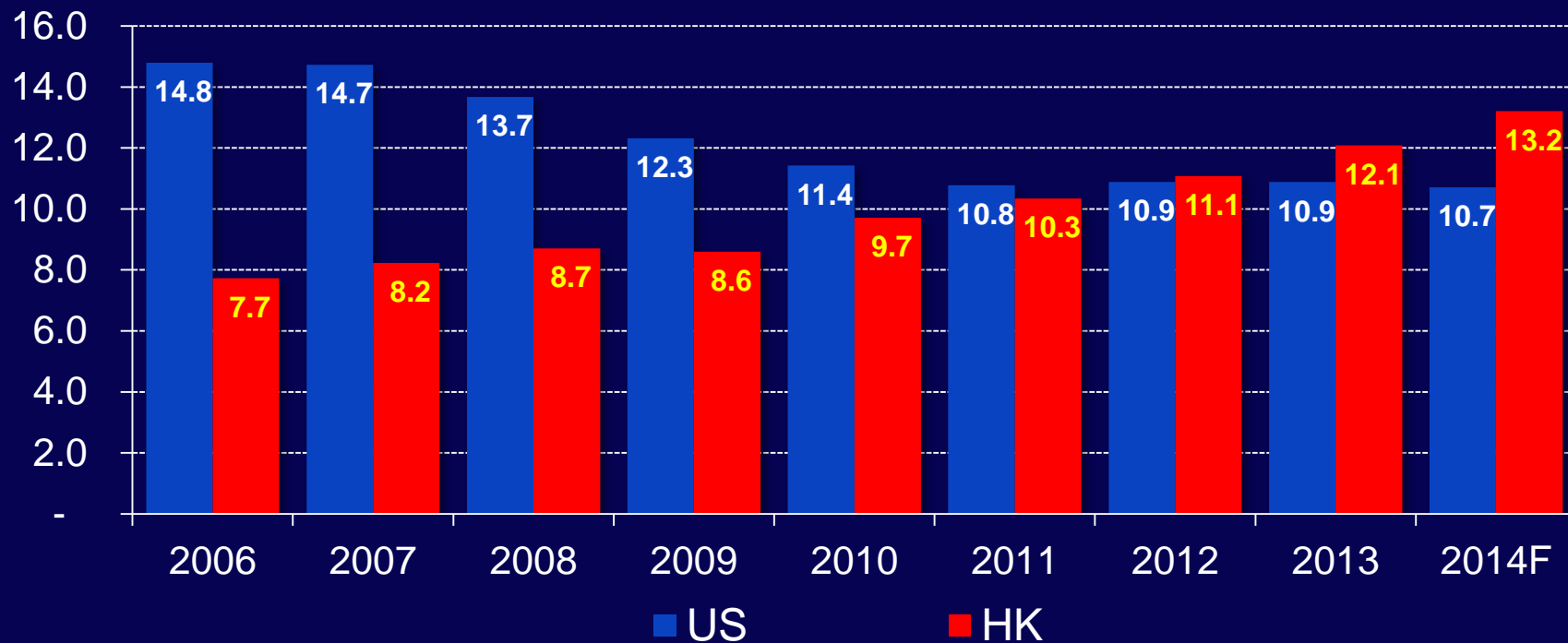
Horse Racing Annual Betting Duty (HKD billion)

**Total Betting Duty paid to HK Government
over the last 10 years**





Annual Racing Turnover (USD billion) USA vs HK



Source: US Jockey Club, HKJC



Hong Kong Jockey Club

- Sole provider of horse racing and football betting; and lotteries
- Membership Club with over 23,000 active Members
- Horse Owners must be Club Members
- Annual Ballot conducted to award 330 horse permits
- Horse Ownership demand far exceeds supply
- Status and Prestige





Employment

- Club-wide employment: 5,700+ full time positions; 18,000 part time
- Club trains and employs grooms, work riders, head lads, assistant trainers and farriers
- Club has its own Apprentice Jockeys' School
- Stables Staff share in prize money distribution, 10% of the total





Broadcasting Services

Producing approx. 7000 hrs. of Racing TV each season

TV Production

- Produce Live racing coverage in 3 different languages (Cantonese, English, Putonghua)
- Produce all Pre-race and Post-race programs (Cantonese and English) and winner videos
- Repackage inbound overseas simulcast TV program for local Cantonese audiences
- Produce Club corporate and training videos

IP Rights

- IP right licensing (TV program and voice broadcast)
- Distribution of racing program to overseas with tailored content

Racing Support

- Photo-Finish team to support judge
- Video Patrol coverage for Racing Control with HD Sync Play system for Inquiry Room services

Venue AV system design and operations

- LED Large Video Display (Diamond Vision Screen, video walls)
- Sound Reinforcement System
- Digital signage



IFHA World's Top 50 Group 1 Races

- LONGINES Hong Kong Cup
- LONGINES Hong Kong Mile
- Audemars Piguet QEII Cup
- Champions Mile
- LONGINES Hong Kong Sprint



21 Hong Kong horses in the World Rankings last year,
5th highest in the world



Veterinary Services

- All Clinical and Regulatory Veterinarians are employed by the Club.
- All routine and specialist services are provided by Club-employed veterinary surgeons, who are immediately available on location.
- Club has invested in diagnostic facilities to detect injuries. Treatment of any horse with any medication may only be performed or prescribed by a Club veterinary surgeon.
- All clinical findings must be fully documented and promptly shared with the Veterinary Regulatory Department.





Veterinary Services

- **All horses must be presented for an Official Pre-Race Veterinary Inspection during the morning prior to race day.**
- **Official Veterinary Examinations are performed to ensure that any horse that has been identified as suffering an injury, illness or poor past performance demonstrate its suitability to race by passing the examinations before being entered to race.**



Medication

- **All supplements and medications must be approved by the Club's Veterinary Department.**
- **Carefully formulated policies and standard operating procedures.**
- **All horses must be free of medication on race day.**



Racing Laboratory

- Club's Racing Laboratory is the Reference Laboratory in Asia for the FEI and has never reported a false positive finding in any official sample in its 44-year history. It is widely acknowledged as one of the best drug testing laboratories in the world.
- World class, reliable service in detection of prohibited substances is a strong deterrent against the abuse or misuse of prohibited medication / drugs and safeguarding public confidence in the integrity of racing.





Racing Laboratory

- **Horse in Training sampling**
 - ❖ **Pre-race screening of all declared starters**
 - ❖ **Stringent post-race sampling of all horses selected by Racing Stewards**
 - ❖ **Random testing of feed and bedding samples**
 - ❖ **Periodic biological testing of supplements**
 - ❖ **Random testing of jockeys, work riders and stables staff**
 - ❖ **Post-arrival testing of all visiting race horses and permanent horse imports**
 - ❖ **Analyzed over 22,000 samples in 2013**



Racing Control

- Integrity is the cornerstone of horse racing and the Club prides itself on its reputation as the world standard for the regulation of the sport. The decisions and rulings of the Club's Racing Stewards are highly transparent with comprehensive and detailed reports being issued routinely to ensure public confidence.





Racing Control

- The Racing Control Department works closely with other Club's regulatory arms such as the Security and Integrity Department and Regulatory and Clinical Veterinary Department to ensure that the safety and welfare of industry participants, both human and equine, as well as the reputation of the Club are not compromised.
- Public confidence is imperative as Hong Kong racing accounts for the world's highest turnover of HK\$132 million or US\$17 million per race.

沙田新赛道

RACE 11 連贏賠率 QUINELLA ODDS 分鐘時間MINS TO RACE													
2	3	4	5	6	7	8	9	10	11	12	13	14	
301	268	100	99	44	304	999	395	999	419	606	999	135	1
717	130	61	70	25	178	687	311	999	309	445	721	121	2
999	47	51	22	132	693	209	999	254	355	747	100	3	
999	16	5.7	56	377	103	625	62	147	252	21	4		
999	5.9	61	379	105	468	71	139	279	19	5			
999	22	112	46	273	30	57	100	10	6				
21	14	213	349	732	180	999	241	424	753	94	7		
9													
連贏投注總額 QIN POOL TOTAL \$ 52,594,022													

RACE 11 位置 Q OPL													
1	2	3	4	5	6	7							
180	137	132	81	86	33	133	8						
81	65	42	28	29	14	47	9						
435	338	409	150	145	87	443	10						
92	70	57	16	20	8.8	57	11						
128	84	64	37	33	16	92	12						
206	136	157	63	69	30	162	13						
32	35	27	7.3	5.8	4.3	26	14						
位置投注總額 QIN POOL TOTAL \$ 40,426,357													



Licensing

- **The Club issues licenses to Trainers, Jockeys and Assistant Trainers on a seasonal basis to a select number of persons who have excelled in their chosen profession and who possess the skills and uphold the Club's stated aim of providing a world-class racing product.**
- **Applicants are subjected to intense probity checks to ensure that only persons of the highest reputation and integrity are invited to participate.**



Charities

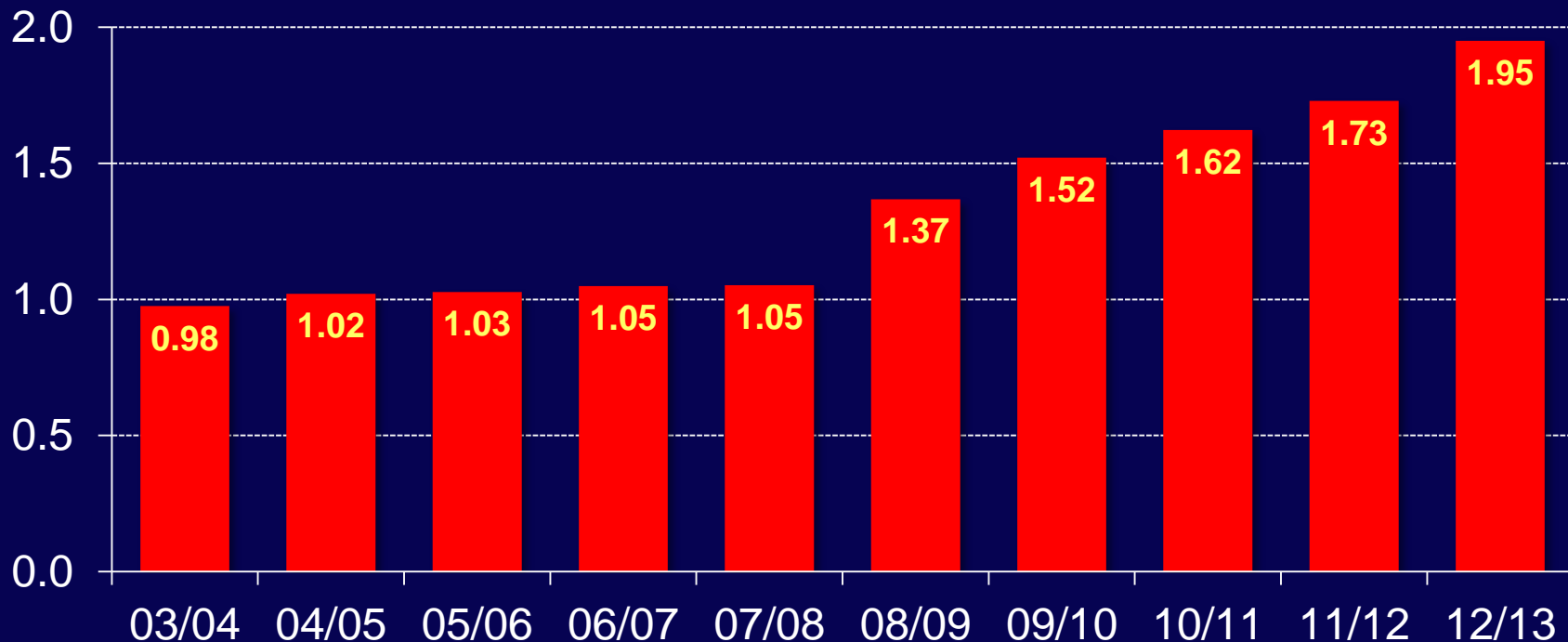
- **Not-for-Profit Model**
- **Charities began donating its surplus in 1955**
- **The Club is the oldest and largest social enterprise in Hong Kong**
- **The Biggest Charity Benefactor in Hong Kong**
- **Supported 160 charitable and community initiatives last season**





Charity Trust Donations (HKD Billion)

Charity donations doubled over the last ten years





Master Plan Investment



The Gallery



Hay Market

The Racecourse Master Plan is an 8-Year program that started in 2009 as a key enabler of the Club's Revitalising Racing Strategy, aimed at widening the racing customer base and changing the image of racing from purely wagering to include social entertainment and sport.

The Master Plan was also needed to address the upkeep of ageing racecourse property assets at Sha Tin and Happy Valley.

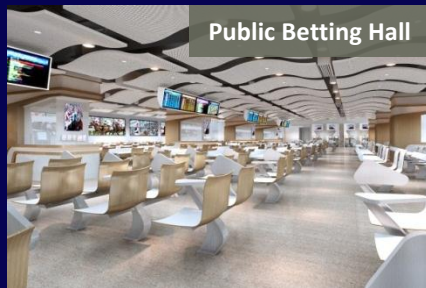
Key features of the Master Plan are the phased introduction of a new range of customer venues at the racecourses, with interior designs for different customer segments, and new levels of information technology and audio-visual services – all completed on a yearly basis with minimal disruption to business.



Master Plan Investment

From 09/10 to 13/14 → **\$3.5** Billion invested

Further investments already planned to 17/18





VIDEO



Ongoing and Future Initiatives

- **Continuation of Master Plan Investment**
- **Conghua Training Centre**
- **Commingling and Simulcasting**

Australia & New Zealand	Europe
Macau	Singapore
South Africa	USA



Hong Kong Racing Model

Thank You