

LEGISLATIVE COUNCIL PANEL ON FINANCIAL AFFAIRS

Hong Kong Harbour Fest

This paper provides an update on the follow-up actions taken by the Administration on Harbour Fest.

BACKGROUND

2. In response to the Government's economic relaunch campaign the American Chamber of Commerce in Hong Kong (AmCham) proposed to organise an international world-class entertainment festival, namely the Harbour Fest. The Economic Relaunch Working Group (ERWG), chaired by the Financial Secretary, approved at its meeting on 12 July 2003 a proposal for the Government to underwrite the net deficit of Harbour Fest up to a maximum of \$100 million. It was also decided that the Government should act as the sponsor only, and AmCham had to plan, organise and implement the whole event. Invest Hong Kong (InvestHK) was assigned as the subject department to coordinate Government support and facilitation for and to oversee AmCham's implementation of the festival.

3. In accordance with the Sponsorship Agreement signed between InvestHK on behalf of the Government and AmCham, the latter submitted on 27 February 2004 the audited accounts of Red Canvas Limited, the Special Purpose Vehicle appointed by AmCham to implement the Harbour Fest project. A copy of the audited accounts and also the attendance records were forwarded to this Panel for information together with the progress report on the economic relaunch campaign in April 2004.

ACCOUNTS & ATTENDANCE RECORDS

4. InvestHK requested the detailed profit and loss accounts as used by the independent auditor in auditing the accounts of Red Canvas Limited in relation to Harbour Fest. A copy is at **Annex A**. The department also sought clarification on a number of items in the accounts. The total income and overall expenditure of the festival was \$155.221 million and \$155.846 million respectively, resulting in

a net deficit of \$0.625 million to be absorbed by the organiser. According to AmCham, some \$63.73 million of the total expenditure went into the local economy, including \$10.6 million public revenue in the form of income tax and land rental. The balance of \$92.12 million was paid/remitted to suppliers/ service providers (including overseas performing talents) outside Hong Kong.

5. The total attendance was 125,872 persons. Of this number, 88,555 were members of the public who bought tickets and 37,317 attendees were in receipt of free/complimentary tickets. The latter figure included 12,500 tickets for the free show on 24 October 2003 and some 12,000 unclassified complimentary tickets. According to AmCham, these 12,000 tickets were mainly distributed to commercial entities (e.g. shops and restaurants, etc.), which were either sponsoring the festival in kind or providing assistance in support of the festival (e.g. helping to distribute flyers and/or putting up posters in their premises, etc.). AmCham has not been able to provide any supporting details as it did not keep a full record of the distribution, but advised that most of these tickets were for the less expensive seats

TV SPECIAL

6. Following the broadcast of the TV special in the USA on the MTV2 and MTV channels in January and February 2004 respectively, the same video was aired locally in Hong Kong on TVB Pearl on 1 May and some other 30 plus countries in Asia and the Middle East in May on the Star World International and Star World India channels. The full broadcast schedule is at **Annex B**.

7. According to AC Nielson, the third airing of the TV special on the MTV channel achieved a viewership rating of 0.2 million households in the USA, representing about 314,000 viewers. AmCham advised that the ratings for MTV2 are not released to the public. TVB has advised that there were 136,000 viewers of the local showing. InvestHK is still awaiting AmCham's feedback on the viewership figures for the recent airings on Star World channels.

8. InvestHK is continuing to liaise with AmCham to explore the possibility of further broadcasting the video in other major overseas markets. In view of the limited "window" for showing the video, we have pressed AmCham for early action.

OTHER FOLLOW UP ACTIONS

9. The Sponsorship Agreement on Harbour Fest provides that the Government shall enjoy the right to use TV footages and programmes of performance and related activities of the festival for the promotion of Hong Kong to the extent permitted by AmCham's contracts with the artists. We have asked AmCham to specify the relevant terms and conditions of the use of these TV footages and programmes by way of a Deed. InvestHK in consultation with the Department of Justice has prepared a draft of the Deed and AmCham is considering the draft.

10. Under the sponsorship deal, the Government is the owner of all Intellectual Property (IP) Rights, sponsorship and other rights and privileges in relation to Harbour Fest. AmCham shall be the custodian of all rights granted, assigned or transferred to AmCham by the Government up to 31 December 2008. AmCham has recently indicated its intention in writing to assign all trademarks and IP rights secured in relation to Harbour Fest to the Government. It has also indicated orally its intention to return custodianship to the Government early. InvestHK in consultation with the Intellectual Property Department and the Department of Justice is preparing the necessary documents to effect the assignment and return respectively.

REPORTS BY DIRECTOR OF AUDIT AND PANEL OF INQUIRY

11. The Director of Audit initiated a value for money study on Harbour Fest starting late October 2003, and presented his Report No. 42 to the Legislative Council (LegCo) on 21 April 2004. The Public Accounts Committee (PAC) of LegCo has followed up with four public hearings on the Chapter on Harbour Fest. The Director-General of Investment Promotion has said that he fully accepts Audit's recommendations on the follow-up actions to be taken by InvestHK.

12. In addition, the two-person Panel of Inquiry appointed by the Chief Executive on 12 December 2003 to look into the approval, organisation and monitoring processes of Harbour Fest submitted its Report on 15 May 2004. This was made available to LegCo and the public on 17 May. The Panel of Inquiry had access to certain individual payment details of Harbour Fest, and identified a number of points on the accounts requiring further clarification.

InvestHK will pursue these points with AmCham as appropriate. The Report has also drawn a number of conclusions and recommendations. The Chief Executive has accepted the Panel's findings and recommendations, which will serve as useful reference if and when the Government is to stage similar events in future.

WAY FORWARD

13. The Administration has studied carefully both the Audit Report and the Inquiry Panel Report, and takes the observations and recommendations contained in the Reports seriously. Both the Director of Audit and the Panel of Inquiry have offered specific advice on the kind of due process Controlling Officers should observe before committing government funds on specific projects. The Administration is working on a new circular to this effect, building on existing guidelines as appropriate. In the light of the Inquiry Panel's recommendations, the Administration will also consider organising more programmes on crisis communication and experience sharing sessions for senior officials. In addition, the Administration has noted the points raised by the Panel of Inquiry on the accounts of Harbour Fest and is taking these up with AmCham. On receipt of the PAC report, the Administration will also consider whether any further action will need to be taken.

14. We understand that a criminal investigation is being carried out by the Independent Commission Against Corruption. The Administration has also referred the Inquiry Panel Report to the Police for further follow-up action as deemed necessary. We are cooperating fully with the investigation by these law enforcement agencies.

ADVICE SOUGHT

15. Members are invited to note the progress of the follow up actions undertaken on the Harbour Fest event.

Hong Kong Harbour Festival 2003
Income and Expenditure
December 31, 2003

Annex A

	2003
INCOME	
Revenue-Ticket Sales	\$46,603,134.56
Revenue-Sponsorship	4,858,147.06
Revenue-Merchandising/Concessions	746,924.94
Revenue-TV Rights	0.00
Revenue-Government Funds	100,000,000.00
Revenue-Handling Charges	800.00
Revenue-Interest Income	12,344.71
	<u>155,221,351.26</u>
TOTAL INCOME	
155,221,351.26	
EXPENDITURE	
Artist Fee -Talent	(76,436,724.72)
Artist Fee -Third Party	(2,034,173.76)
Artist Fee -Riders	(2,115,596.51)
Artist Fee-Tax	(8,472,627.50)
Operations-Utilities	(451,762.20)
Operations-Ticketing	(2,093,073.06)
Operations-Site Preparation/Managen	(25,662,795.37)
Operations-Production Costs	(3,412,075.99)
Operations-Noise Control	(154,600.00)
Operations-Equipment Rental	(11,237.30)
Operations-Licence	(880.00)
Operations-Security	(396,116.00)
Operations-Chalet	(54,000.00)
Marketing-Advertising-Production	(1,977,756.04)
Marketing-Advertising-Radio	(130,450.08)
Marketing-Advertising-Prints	(2,670,818.92)
Marketing-Hotline	(5,000.00)
Marketing-Promotional Materials	(5,500.00)
Marketing-Web	(28,750.00)
Marketing-Programs	(278,550.00)
Marketing-Public Relations	(621,514.50)
TV Production	(7,684,064.11)
Insurance-Cancellation/Non-Appeara	(5,782,233.80)
Insurance-Public Liability	(854,150.00)
Rental-Site Rental	(2,140,454.70)
Rental-Other Rental	(13,600.00)
Air Fare	(7,353,308.76)
Hotel	(2,492,777.40)
Local Transportation	(441,110.00)
Porter Services	(3,175.00)
Commission-IMG	(922,832.06)
Professional-Tax Preparation	(66,450.00)
Professional-Legal	(439,627.60)
Professional-Immigration	(310,366.00)
Professional-Audit Fee	(56,000.00)
Bank Charges	(60,942.50)
Forex	931.25
	<u>(155,846,602.63)</u>
TOTAL EXPENDITURE	
(155,846,602.63)	
NET DEFICIT	
(625,251.37)	

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2003

INCOME

Revenue-Ticket Sales:

10-510-10 HK Ticketing (Gross)-General	177,962.00
20-510-10 HK Ticketing (Gross)-Prince	3,113,904.00
25-510-10 HK Ticketing (Gross)-Family Fest	1,221,535.50
30-510-10 HK Ticketing (Gross)-Craig David	1,941,000.00
35-510-10 HK Ticketing (Gross)-Jose Carreras	2,652,192.00
45-510-10 HK Ticketing (Gross)-Westlife	2,169,640.00
50-510-10 HK Ticketing (Gross)-Air Supply	2,056,388.00
55-510-10 HK Ticketing (Gross)-Gipsy Kings	1,014,706.00
60-510-10 HK Ticketing (Gross)-Asian All-Star Night	159,064.00
65-510-10 HK Ticketing (Gross)-Santana	7,185,124.00
70-510-10 HK Ticketing (Gross)-Gary Valenciano	833,986.00
75-510-10 HK Ticketing (Gross)-Neil Young	2,580,538.00
80-510-10 HK Ticketing (Gross)-Rolling Stones	21,168,806.00
20-510-30 Red Canvas-Consignment-Prince	97,904.00
25-510-30 Red Canvas-Consignment-Family Fest	36,200.00
30-510-30 Red Canvas-Consignment-Craig David	103,152.00
35-510-30 Red Canvas-Consignment-Jose Carreras	353,516.00
40-510-30 Red Canvas-Consignment-Twins	6,068.00
45-510-30 Red Canvas-Consignment-Westlife	31,472.00
50-510-30 Red Canvas-Consignment-Air Supply	311,296.00
55-510-30 Red Canvas-Consignment-Gipsy Kings	470,568.00
60-510-30 Red Canvas-Consignment-Asian All-Star Night	377,760.00
65-510-30 Red Canvas-Consignment-Santana	380,560.00
70-510-30 Red Canvas-Consignment-Gary Valenciano	309,364.00
75-510-30 Red Canvas-Consignment-Neil Young	185,956.00
80-510-30 Red Canvas-Consignment-Rolling Stones	1,516,530.33
85-510-40 Umoja	238,857.22
10-510-50 Balance of HK Ticketing	(25,000.00)
40-510-50 Atomic Kitten-Refund	(5,068.00)

Total Revenue-Ticket Sales 49,603,134.55

Revenue-Sponsorship:

10-520-10 Canon	2,340,000.00
10-520-30 Citigroup	1,167,647.06
10-520-40 Credit Suisse	1,117,000.00
10-520-50 HSBC - chalet	85,000.00
10-520-60 Chalet	148,500.00

Total Revenue-Sponsorship 4,858,147.06

Revenue-Merchandising/Concessions:

10-530-10 Coke (20% less 15%)	25,267.00
10-530-20 Carlsberg (50% less 15%)	479,902.00
10-530-30 Maxm (10%)	86,904.62
10-530-40 Starbucks (10%)	130,070.51
10-530-60 Australian Tour Merchandising Pty Ltd	18,780.81

Total Revenue-Merchandising/Concessions 746,924.94

Revenue-Government Funds:

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	2003
10-500-10 Funds from InvestHK	100,000,000.00
Total Revenue-Government Funds	100,000,000.00
Revenue-Handling Charges:	
10-550-10 Ticket Handling Charges	500.00
Total Revenue-Handling Charges	500.00
Revenue-Interest Income	
10-560-10 Interest Income	12,344.71
Total Revenue-Interest Income	12,344.71

EXPENDITURE

Artist Fee -Talent:	
Total Artist Fee -Talent	(76,436,724.72)
Artist Fee -Third Party:	
10-612-10 East Art	(778,928.00)
20-612-20 C.A.S.H.-Permit Fee-Prince	(140,750.87)
25-612-20 C.A.S.H.-Permit Fee-Family Fest	(32,901.07)
30-612-20 C.A.S.H.-Permit Fee-Craig David	(82,265.76)
35-612-20 C.A.S.H.-Permit Fee-Jose Carreras	(97,077.88)
40-612-20 C.A.S.H.-Permit Fee-Tatu	(9,548.25)
45-612-20 C.A.S.H.-Permit Fee-Westlife	(47,776.91)
50-612-20 C.A.S.H.-Permit Fee-Air Supply	(48,893.60)
55-612-20 C.A.S.H.-Permit Fee-Gipsy Kings	(33,523.35)
60-612-20 C.A.S.H.-Permit Fee-Asian Night	(27,826.03)
65-612-20 C.A.S.H.-Permit Fee-Santana	(152,319.92)
70-612-20 C.A.S.H.-Permit Fee-Gary Valenciano	(17,752.38)
75-612-20 C.A.S.H.-Permit Fee-Neil Young	(92,693.88)
80-612-20 C.A.S.H.-Permit Fee-Rolling Stones	(471,370.62)
25-612-30 Conductor Fee - Church	(27,133.75)
35-612-40 Music Supervision/Preparation-Carreras	(1,945.00)
10-612-40 Airfare - Mr & Mrs Koch	8,433.52
Total Artist Fee -Third Party	(2,034,173.76)
Artist Fee -Riders:	
10-614-10 Angus Yeung Wai Hing	(45,445.40)
25-614-12 Castelo Inv. Ltd. - meals-Family Fest	(8,250.00)
45-614-12 Castelo Inv. Ltd. - meals-Westlife	(6,780.00)
55-614-12 Castelo Inv. Ltd. - meals-Gipsy Kings	(5,500.00)
65-614-12 Castelo Inv. Ltd. - meals-Santana	(8,650.00)
75-614-12 Castelo Inv. Ltd. - meals-Neil Young	(18,200.00)
80-614-12 Castelo Inv. Ltd. - meals-Rolling Stones	(26,400.00)

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	<u>2003</u>
10-614-12 Castejo Inv. Ltd. - meals	(7,500.00)
80-614-13 Keen City - Aibi - meals	(52,500.00)
80-614-14 Song-Catering-Rolling Stones	(46,000.00)
10-614-18 East Art	(486,270.00)
20-614-20 Grand Hyatt-Backstage Catering-Prince	(34,800.00)
30-614-20 Grand Hyatt-Backstage Catering-Craig David	(17,206.20)
35-614-20 Grand Hyatt-Backstage Catering-Jose Carreras	(2,800.00)
80-614-20 Grand Hyatt-Food and Beverage-Rolling Stones	(5,868.30)
10-614-24 International Fixer	(227,692.00)
20-614-24 International Fixer-Prince	(77,260.91)
25-614-24 International Fixer-Family Fest	(2,295.44)
30-614-24 International Fixer-Craig David	(39,055.55)
35-614-24 International Fixer-Jose Carreras	(28,002.50)
40-614-24 International Fixer-Tatu	(28,200.40)
45-614-24 International Fixer-Westlife	(55,053.10)
55-614-30 Monster Production Ltd.-Gipsy Kings	(43,250.00)
20-614-30 Monster Production Ltd.-Prince	(13,955.00)
45-614-32 JF Productions - Cost of Band, Rehearsal-Energy/Me	(138,000.82)
60-614-32 TOCOM - Korean Artists Reimbursement	(42,016.29)
60-614-34 Make up & Hair styling for artists	(87,900.00)
65-614-34 Make up & Hair styling for artists	(17,097.00)
65-614-34 Make up & Hair styling for artists	(45,000.00)
20-614-34 Make up & Hair styling for artists	(16,000.00)
40-614-34 Make up & Hair styling for artists	(25,000.00)
45-614-34 Make up & Hair styling for artists	(24,000.00)
50-614-34 Make up & Hair styling for artists	(35,000.00)
55-615-10 Translation-Hyo-Pil Lee	(3,300.00)
60-615-10 Translation-Seven	(750.00)
10-616-10 Talent Coordination-East Art	(388,517.50)
	<u>(2,115,536.51)</u>
Total Artist Fee -Riders	(2,115,536.51)
Artist Fee-Tax:	
	<u>(8,472,627.50)</u>
Operations-Utilities:	
10-620-10 HK Electric - Svs Charges	(117,569.00)
10-620-20 HK Gov't - Water Meter Install	(75.00)
10-620-30 Citic Tower - Electricity,Install,etc	(15,455.00)
10-620-40 HK Electric	(311,234.00)
10-620-50 Water Usage	(2,059.20)
10-620-60 Telephone Charges	(5,360.00)
	<u>(451,762.20)</u>
Operations-Ticketing:	
10-612-50 Koch's Service Fee	(78,000.00)
10-622-10 RENTAL Citic Tower - Ticketing Office	(20,000.00)
10-622-15 HK Gov't - stamp duty - Ticketing Office	(27.50)
10-622-20 McCafferty Svs Fee	(65,258.32)
10-622-25 McCafferty Hotel	(28,250.00)
20-622-40 Inside Charges-Prince	(77,174.75)
25-622-40 Inside Charges-Family Fest	(95,763.50)
30-622-40 Inside Charges-Craig David	(59,852.25)

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	2003
35-622-40 Inside Charges-Jose Carreras	(47,474.50)
45-622-40 Inside Charges-Westlife	(39,645.75)
50-622-40 Inside Charges-Air Supply	(48,477.25)
55-622-40 Inside Charges-Gipsy Kings	(27,758.50)
60-622-40 Inside Charges-Asian Night	(38,501.00)
65-622-40 Inside Charges-Santana	(73,362.25)
70-622-40 Inside Charges-Gary Valenciano	(24,460.63)
75-622-40 Inside Charges-Neil Young	(44,867.76)
80-622-40 Inside Charges-Rolling Stones	(142,347.25)
85-622-40 Inside Charges-Umoja	(265.50)
85-622-45 Credit Card Charges-Umoja	(325.75)
20-622-45 Credit Card Charges-Prince	(69,919.00)
25-622-45 Credit Card Charges-Family Feat	(25,930.92)
30-622-45 Credit Card Charges-Craig David	(28,167.85)
35-622-45 Credit Card Charges-Jose Carreras	(59,568.05)
45-622-45 Credit Card Charges-Westlife	(39,446.45)
50-622-45 Credit Card Charges-Air Supply	(43,482.80)
55-622-45 Credit Card Charges-Gipsy Kings	(15,488.20)
60-622-45 Credit Card Charges-Asian Night	(2,766.20)
65-622-45 Credit Card Charges-Santana	(159,198.85)
70-622-45 Credit Card Charges-Gary Valenciano	(4,988.85)
75-622-45 Credit Card Charges-Neil Young	(54,869.15)
80-622-45 Credit Card Charges-Rolling Stones	(458,051.76)
85-622-50 Cancellation Fees - Umoja	(599.00)
40-622-50 Cancellation Fees - Atomic Kittens	(94,247.01)
10-622-52 Koch Airfare	(88,019.52)
10-622-00 Additional Manpower	(36,627.00)
Total Operations-Ticketing	(2,993,073.06)
Operations-Site Preparation/Management:	
10-624-10 Walt Disney	(25,682,795.37)
Total Operations-Site Preparation/Management	(25,682,795.37)
Operations-Production Costs:	
10-626-10 Soda Music - Asian Artists	(36,364.26)
20-626-10 Soda Music - Asian Artists-Prince	(349,660.61)
30-626-10 Soda Music - Asian Artists-Craig David	(1,100.00)
40-626-10 Soda Music - Asian Artists-Tatu	(110,796.00)
45-626-10 Soda Music - Asian Artists-Westlife	(243,363.50)
50-626-10 Soda Music - Asian Artists-Air Supply	(326,105.10)
55-626-10 Soda Music - Asian Artists-Gipsy Kings	(280,666.80)
60-626-10 Soda Music - Asian Artists-Asian Night	(540,896.50)
65-626-10 Soda Music - Asian Artists-Santana	(311,521.00)
80-626-10 Soda Music - Asian Artists-Rolling Stones	(218,000.00)
10-626-20 Serious Staging - Carreras/Church	(16,375.00)
35-626-20 Serious Staging - Carreras/Church	(190,000.00)
35-626-30 IMG-Sound Engineer-Carreras	(62,801.63)
75-626-30 Adam Budgeon -Audio Engineer-Branch	(570.00)
80-626-30 Adam Budgeon -Audio Engineer	(5,000.00)
80-626-40 Tom Lee -Sound/Lighting Systems Rolling Stones	(26,000.00)
25-626-40 Ali Khan Surattee Talent - Backdrop	(9,138.00)
75-626-40 Tom Lee-Piano Tuning-Neil Young	(3,024.00)
75-626-50 MC - Neil Young	(10,530.00)
80-626-50 MC - Rolling Stones	(28,560.00)
10-626-50 East Art Recon	(539,876.50)

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	2003
20-626-50 MC - Prince	(10,530.00)
25-626-50 MC - Family Fest	(9,360.00)
30-626-50 MC - Craig David	(10,530.00)
35-626-50 MC - Jose Carreras	(10,530.00)
40-626-50 MC - Tatu	(10,530.00)
45-626-50 MC - Westlife	(10,530.00)
50-626-50 MC - Air Supply	(10,530.00)
55-626-50 MC - Gipsy Kings	(10,530.00)
60-626-50 Crown Rise Int'l - M C	(5,000.00)
65-626-50 MC - Santana	(10,530.00)
10-626-60 Courier & Postage	(3,185.00)
Total Operations-Production Costs	(3,412,975.98)
Operations-Noise Control:	
10-628-10 Campbell Shillinglaw Lau	(154,600.00)
Total Operations-Noise Control	(154,600.00)
Operations-Equipment Rental:	
10-632-20 VTI HK Ltd - Office Equipment Rental	(2,100.00)
10-632-30 Grand Hyatt-Office Equip Rental/Production Office	(9,137.30)
Total Operations-Equipment Rental	(11,237.30)
Operations-Licence:	
10-634-10 Food Licence	(880.00)
Total Operations-Licence	(880.00)
Operations-Security:	
10-636-10 Pico (HK) Ltd. - beta tapes	(45,400.00)
10-636-20 Security Services -General Security	(16,688.00)
10-636-40 Security Services -Securstars Ltd.	(2,240.00)
20-636-60 Security Services -Signal 8 Security-Prince	(26,200.00)
30-636-60 Security Services -Signal 8 Security-Craig David	(20,025.00)
35-636-60 Security Services -Signal 8 Security-Carreras	(7,200.00)
40-636-60 Security Services -Signal 8 Security-Tatu	(24,975.00)
45-636-60 Security Services -Signal 8 Security-Westlife	(31,005.00)
50-636-60 Security Services -Signal 8 Security-Air Supply	(16,050.00)
55-636-60 Security Services -Signal 8 Security-Gipsy Kings	(19,125.00)
60-636-60 Security Services -Signal 8 Security-Asian	(7,425.00)
65-636-60 Security Services -Signal 8 Security-Santana	(21,375.00)
70-636-60 Security Services -Signal 8 Security-Gary V	(17,525.00)
75-636-60 Security Services -Signal 8 Security-Neil Young	(23,550.00)
80-636-60 Security Services -Signal 8 Security-Rolling Stone	(119,825.00)
10-636-70 Civic Tower	(10,508.00)
Total Operations-Security	(596,116.00)
Operations-Chalet:	
10-633-10 Grand Hyatt-Chalet-Food and Bev	(54,000.00)
Total Operations-Chalet	(54,000.00)

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	2003
Marketing-Advertising-Production:	
10-640-15 AsiaXpat.com	(46,560.00)
10-640-25 HMV	(30,000.00)
80-640-30 Intelligent Concepts	(60,000.00)
10-640-35 Leo Burnett	(1,259,090.00)
10-640-50 Strategy Consultancy	(4,750.00)
10-640-60 VNF	(560,590.00)
10-640-65 Xinhua PR Newswire	(5,166.04)
10-640-70 Yellow Frog Media	(11,600.00)
Total Marketing-Advertising-Production	(1,977,756.04)
Marketing-Advertising-Radio:	
10-640-22 H K Commercial Broadcasting	(120,450.00)
70-640-40 Metro Broadcast Corp. Ltd. - Gary V	(10,000.00)
Total Marketing-Advertising-Radio	(130,450.00)
Marketing-Advertising-Prints:	
10-646-20 Kineltx	(17,000.00)
10-648-20 HK Tourism - Sale of Slides, Images	(987.00)
10-648-30 Arnoffini Ltd.	(22,400.00)
70-648-40 League Publishing Co.	(11,334.40)
10-648-50 Salesmate - Flyers @ Callflex	(3,300.00)
10-648-60 Starcom	(2,806,037.52)
10-648-70 Banners/Flags-Lan Kwai Fong	(9,700.00)
Total Marketing-Advertising-Prints	(2,870,818.92)
Marketing-Hotline:	
10-642-10 Intotools	(5,000.00)
Total Marketing-Hotline	(5,000.00)
Marketing-Promotional Materials:	
10-644-10 Far East Hat & Bag Factory-200 pcs	(5,500.00)
Total Marketing-Promotional Materials	(5,500.00)
Marketing-Web:	
10-646-10 CommuniLink	(3,750.00)
10-646-30 Yahoo	(25,000.00)
Total Marketing-Web	(28,750.00)
Marketing-Programs:	
10-650-10 William Chan - 40,000 copies	(276,550.00)
Total Marketing-Programs	(276,550.00)

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	2003
Marketing-Public Relations:	
10-652-10 PRO Mktg Sys Co. - Consultancy	(407,866.00)
10-652-20 Leadership Asia - Comm Strategy	(75,000.00)
10-652-40 HKCEC - 2nd Press Conference	(9,626.50)
10-652-60 Chan Yin Carmen	(129,000.00)
Total Marketing-Public Relations	(621,514.50)
TV Production:	
10-660-10 TV Production	(7,684,064.11)
Total TV Production	(7,684,064.11)
Insurance-Cancellation/Non-Appearence:	
80-670-10 Slattery Jeremy - Rolling Stones	(2,811,654.00)
10-670-20 Slattery Jeremy - Other Shows	(2,980,579.80)
Total Insurance-Cancellation/Non-Appearence	(5,792,233.80)
Insurance-Public Liability:	
10-672-10 Jardine Lloyd	(776,150.00)
80-672-10 Jardine Lloyd	(78,000.00)
Total Insurance-Public Liability	(854,150.00)
Rental-Site Rental:	
10-680-10 Tamar site rental	(2,021,654.70)
10-680-20 Tamar site rental-Reinstatement	(118,800.00)
Total Rental-Site Rental	(2,140,454.70)
Rental-Other Rental:	
10-682-10 Citic Tower - Disabled Parking	(13,800.00)
Total Rental-Other Rental	(13,800.00)
Air Fare:	
10-690-10 Air Fare-General	19,156.72
50-690-12 Air Fare-Air Supply	(346,826.98)
35-690-22 Air Fare-Charlotte Church	(599,087.22)
45-690-30 Air Fare-Energy	(50,815.16)
70-690-34 Air Fare-Gary Valenciano	(54,766.46)
55-690-38 Air Fare-Gipsy King	(1,029,611.81)
35-690-48 Air Fare-Jose Carreras	(88,587.23)
75-690-52 Air Fare-Michelle Branch	(497,905.12)
75-690-53 Air Fare - Mike McGinley	(96,803.40)
80-690-54 Air Fare-Mick Gerace	(220,381.14)
75-690-56 Air Fare-Nell Young	(824,110.00)
80-690-64 Air Fare-Rolling Stones	(2,432,876.64)
65-690-68 Air Fare-Santana	(277,886.48)
60-690-72 Air Fare-Seven	(140,312.00)
40-690-78 Air Fare-T. a. t. u.	(218,253.44)
45-690-86 Air Fare-Westlife	(484,248.36)

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	<u>2003</u>
Total Air Fare	(7,353,308.75)
Hotel:	
10-710-10 Hotel-General	(230,846.00)
50-710-12 Hotel-Air Supply	(77,700.00)
25-710-16 Hotel-Barbies	(24,000.00)
35-710-22 Hotel-Charlotte Church	(36,917.10)
30-710-24 Hotel-Craig David	(116,720.00)
45-710-32 Hotel-eVonne Hsu	(69,300.00)
70-710-34 Hotel-Gary Valenciano	(27,496.90)
65-710-38 Hotel-Gipsy King	(112,050.00)
55-710-42 Hotel-Hyo-Ri Lee/Hyu-Lee	(60,100.00)
25-710-44 Hotel-JAAM	(30,400.00)
35-710-48 Hotel-Jose Carreras	(23,425.60)
75-710-52 Hotel-Michelle Branch	(16,454.30)
80-710-54 Hotel-Mick Gerace	(61,200.00)
75-710-56 Hotel-Neil Young	(126,619.50)
20-710-62 Hotel-Prince	(234,725.00)
80-710-64 Hotel-Rolling Stones	(898,915.00)
65-710-68 Hotel-Santana	(152,535.00)
25-710-70 Hotel-Scotty & Lulu	(2,400.00)
60-710-72 Hotel-Seven	(60,100.00)
40-710-78 Hotel-T. a. t. u.	(37,200.00)
45-710-86 Hotel-Westlife	(55,272.00)
25-710-88 Hotel-Wiggles	(38,400.00)
Total Hotel	<u>(2,492,777.40)</u>
Local Transportation:	
10-720-10 Local Transportation-General	(86,837.00)
50-720-12 Local Transportation-Air Supply	(15,307.00)
35-720-22 Local Transportation-Charlotte Church	(20,682.00)
30-720-24 Local Transportation-Craig David	(44,252.00)
45-720-32 Local Transportation-eVonne Hsu	(1,910.00)
70-720-34 Local Transportation-Gary Valenciano	(14,580.00)
65-720-38 Local Transportation-Gipsy King	(12,050.00)
55-720-42 Local Transportation-Hyo-Ri Lee/Hyu-Lee	(2,600.00)
25-720-44 Local Transportation-JAAM	(2,915.00)
35-720-48 Local Transportation-Jose Carreras	(16,229.00)
20-720-60 Local Transportation-Karen Mok	(800.00)
75-720-52 Local Transportation-Michelle Branch	(6,180.00)
80-720-54 Local Transportation-Mick Gerace	(7,040.00)
75-720-56 Local Transportation-Neil Young	(9,960.00)
20-720-62 Local Transportation-Prince	(42,226.00)
80-720-64 Local Transportation-Rolling Stones	(52,277.00)
50-720-66 Local Transportation-Ronald Cheng	(450.00)
65-720-68 Local Transportation-Santana	(15,181.00)
60-720-72 Local Transportation-Seven	(39,172.00)
40-720-78 Local Transportation-T. a. t. u.	(15,584.00)
25-720-80 Local Transportation-Tweety	(1,500.00)
45-720-86 Local Transportation-Westlife	(19,053.00)
25-720-88 Local Transportation-Wiggles	(4,415.00)
Total Local Transportation	<u>(441,110.00)</u>

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	2003
Porter Services:	
50-730-12 Porter Services-Air Supply	(475.00)
35-730-22 Porter Services-Charlotte Church	(900.00)
30-730-24 Porter Services-Craig David	(510.00)
45-730-30 Porter Services-Energy	(130.00)
35-730-48 Porter Services-Jose Carreras	(900.00)
20-730-62 Porter Services-Prince	(800.00)
40-730-76 Porter Services-T. a. t. u.	(965.00)
46-730-86 Porter Services-Westlife	(495.00)
Total Porter Services	(5,175.00)
Commission-IMG:	
10-740-10 Credit Suisse	(187,560.00)
10-740-20 Citigroup	(182,647.00)
10-740-30 Canon	(351,000.00)
35-740-40 Charlotte Church	(145,860.00)
10-740-50 Coke	(3,790.00)
10-740-60 Carlsberg	(71,985.00)
Total Commission-IMG	(922,832.00)
Professional-Tax Preparation:	
10-750-10 Axion Financial Services	(86,450.00)
Total Professional-Tax Preparation	(86,450.00)
Professional-Legal:	
10-752-10 Bird & Bird	(421,222.60)
10-752-20 Corporate Secretarial	(5,805.00)
10-752-30 Business Registration	(2,600.00)
10-752-40 Taxation Services	(10,000.00)
Total Professional-Legal	(439,627.60)
Professional-Immigration:	
10-754-10 Deloitte & Touche	(11,462.00)
50-754-12 Deloitte & Touche-Air Supply	(12,141.60)
25-754-16 Deloitte & Touche-Barbie	(10,906.00)
35-754-22 Deloitte & Touche-Charlotte Church	(10,864.00)
30-754-24 Deloitte & Touche-Craig David	(12,560.00)
45-754-30 Deloitte & Touche-Energy/Vonne Hsu	(13,430.00)
70-754-34 Deloitte & Touche-Gary Valenciano	(11,875.90)
55-754-38 Deloitte & Touche-Gipsy Kings	(12,935.00)
55-754-42 Deloitte & Touche-Hyo-Ri Lee/Hyu-Lee	(16,802.00)
25-754-44 Deloitte & Touche-JAAM	(12,807.00)
35-754-48 Deloitte & Touche-Jose Carreras	(10,719.00)
75-754-52 Deloitte & Touche-Michelle Branch	(12,687.80)
80-754-54 Deloitte & Touche-Mick Gerace	(12,576.00)
75-754-56 Deloitte & Touche-Neil Young	(14,340.00)
25-754-60 Deloitte & Touche-PowerPuff Girls	(10,435.00)
20-754-62 Deloitte & Touche-Prince	(15,622.00)
80-754-64 Deloitte & Touche-Rolling Stones	(41,600.00)
65-754-68 Deloitte & Touche-Santana	(14,260.80)
40-754-78 Deloitte & Touche-T.a.t.u.	(13,107.00)

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	<u>2003</u>
25-754-80 DeLoitte & Touche-Tweety	(11,830.00)
45-754-86 DeLoitte & Touche-Westlife	(14,088.00)
25-754-88 DeLoitte & Touche-Wiggles	(12,736.00)
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Total Professional-Immigration	(310,366.00)
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Professional-Audit Fee:	
10-766-10 Audit Fee	(56,000.00)
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Total Professional-Audit Fee	(56,000.00)
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Bank Charges:	
20-760-10 Letter of Credit	(38,807.50)
20-760-20 Transactions-Rolling Stones	(1,800.00)
20-760-20 Transactions-Prince	(450.00)
25-760-20 Transactions-Urcija	(500.00)
10-760-20 Transactions-General	(3,225.00)
25-760-20 Transactions-Family Fest	(11,050.00)
30-760-20 Transactions-Craig David	(300.00)
35-760-20 Transactions-Jose Carreras	(500.00)
40-760-20 Transactions-Twins/Tatu/Atomic Kittens	(500.00)
45-760-20 Transactions-Westlife	(750.00)
50-760-20 Transactions-Air Supply	(150.00)
55-760-20 Transactions-Gipsy Kings	(850.00)
60-760-20 Transactions-Asian All-Star Night	(300.00)
65-760-20 Transactions-Santana	(400.00)
70-760-20 Transactions-Gary Valenciano	(250.00)
75-760-20 Transactions-Neil Young	(700.00)
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Total Bank Charges	(60,342.53)
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Forex:	
10-770-10 Forex-General	858.51
40-770-10 Forex-Twins/Tatu/Atomic Kittens	(399.70)
65-770-10 Forex-Santana	956.69
25-770-10 Forex-Family Fest	(514.25)
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Total Forex	931.26
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Annex B

Broadcast time of Hong Kong Harbour Fest TV Special - "Hong Kong Rocks"

Channel	Date	Transmitting Time	Coverage
MTV2	22 Jan 04	21:00 (EST)	US
MTV2	25 Jan 04	23:00 (EST)	
MTV	8 Feb 04	00:00 (9 Feb) (EST)	US
TVB Pearl	1 May 04	20:30 (HK time)	Hong Kong
Star World International	5 May 04	21:00 (HK time)	Covering 34 markets in
Star World International	6 May 04	12:00 (HK time)	Asia and the Middle East
Star World India	19 May 04	23:30 (HK time)	India
Star World India	20 May 04	03:00 (HK time)	
Star World India	20 May 04	13:30 (HK time)	