

Our Ref : IHK/AMB/2/3 II  
Your Ref: CBI/PL/FA

25 October 2003

Miss Salumi Chan  
Clerk to Panel on Financial Affairs  
Legislative Council  
Legislative Council Building  
8 Jackson Road  
Central  
Hong Kong

Dear Miss Chan,

Panel on Financial Affairs  
Follow-up to special meeting on 11 October 2003

Update on the activities carried out/to be carried out  
Under the "Campaign to relaunch Hong Kong's economy"

I refer to your letter of 14 October 2003 addressed to the Financial Secretary seeking supplementary information about the activities under the Economic Relaunch Campaign (the "Campaign"). He has asked me to reply on his behalf.

On 18 October, we provided the Panel with a supplementary paper which addresses item 1 on your checklist. The information required for the remaining items is set out below.

Item 2

Since the last Panel meeting on 11 October, the Economic Relaunch Working Group (ERWG) has received three proposed projects with spending in excess of \$10 million. One proposal was withdrawn after discussion. On the advice of ERWG, the proposed budget for the second proposal is under review and ERWG has not yet approved the item. The matter will be reviewed once a

revised budget is available. Similarly, the third proposal is being reviewed by the bureau concerned, and ERWG has not approved the item. The proponent will consult the relevant LegCo Panel if it wishes to pursue the item further before re-submission to ERWG. Separately, ERWG has decided not to consider any further proposal under the Campaign which has not yet been put forward.

### Item 3

Some of the sports programmes are organised on a one-off basis. Others are annual events with the scale enhanced so as to achieve the objectives of the Campaign. All the programmes aim to strengthen Hong Kong's position as a major sports events capital of Asia and to promote global exposure of Hong Kong after the SARS outbreak.

- (a) The 'Chinese Basketball National Team's Match in Hong Kong' held on 6 August was a one-off exhibition match organized by the Hong Kong Basketball Association in support of the Campaign. The Chinese national team and the top ranked Australian basketball team, Melbourne Tigers, produced a night of excellent entertainment and high standard performance for over 10,000 basketball fans, which was a new record for attendance at basketball events in Hong Kong. The event has also attracted extensive coverage from both local and international media and spread the message that Hong Kong has recovered from SARS.
- (b) The 'Volleyball Superchallenge' held on 5-7 September was an exhibition match organised to replace the annual FIVB World Grand Prix scheduled for the end of July, which was cancelled by the Federation Internationale De Volleyball due to outbreak of SARS. After recovery from the SARS outbreak, this was the first large-scale international women's volleyball competition held in Asia. The tournament has attracted more than 19,200 spectators to the matches and generated extensive publicity through local and worldwide broadcasting of the tournament.
- (c) & (d) The 'Around the Island Race' to be held on 2 November and the 'Hong Kong Open Badminton Championships' to be held in end-October are regular annual events. The scale of these two events will be enhanced with the funding approved by the ERWG. For the 'Around the Island Race', more than 300 world class yachting, windsurfing and rowing sportsman will set sail in the Victoria Harbour. To add attraction to this event, the Royal Hong Kong Yacht Club has invited four Olympic Gold Medalists and top windsurfing stars from China, Israel, Germany, Brazil and the Netherlands to compete in the race. A half-hour show will be produced for broadcast to over 200 million potential households in over 120 countries. This will help persuade the international community that

they should visit Hong Kong. As for the 'Hong Kong Open Badminton Championships', the Hong Kong Badminton Association will upgrade the event from a 1-star to a 6-star competition, which is the highest star ranking event in the World Grand Prix Circuit. Some 300 top badminton players from over 30 countries will be participating in the tournament. Over 20,000 spectators are expected, some of which may come from China, Japan, Singapore, Indonesia, Malaysia and Denmark to support their national sportsman.

#### Item 4

As specified in the contract on the Harbour Fest between the Government and the American Chamber of Commerce (AmCham), the amount of sponsorship fee payable by the Government is capped at HK\$100 million, which is the maximum liability of the Government in relation to the Festival. A copy of the contract is herewith attached.

#### Item 5

- (a) As explained in my previous letter of 17 October, AmCham had reached a broad agreement through e-mails/ telephone conversations with the Rolling Stones management on the performance by the group before the announcement on 3 September. At the time of announcement, AmCham was moving to finalise negotiations with the Rolling Stones management for the upcoming shows.
- (b) The Rolling Stones performance has become part of the Harbour Fest. AmCham is working on a revised budget, which will also capture other recent changes. We will be pleased to provide to Members an updated version as soon as possible.
- (c) AmCham's forecast of the viewing population of the one-hour TV special was not geared to the inclusion of one or two songs from any particular artist.

#### Item 6

- (a) The broad agreement reached between AmCham and the Rolling Stones management in late August may be regarded as an oral contract between the two parties.
- (b) The issue of compensation has been overtaken by events as the Rolling Stones management has signed the contract.

Item 7

The required information about the ticketing arrangements for the concerts is summarised in the table and the zoning plans attached.

I trust the above information sufficiently addresses the points raised by Members . Please let me know if you require any further information, and I would be pleased to attend a Panel meeting to answer further questions from Members if considered necessary.

Yours sincerely,

(M J T Rowse)  
Director-General of Investment Promotion

**AGREEMENT**

**Dated 10 October 2003**

**THE GOVERNMENT OF  
THE HONG KONG SPECIAL ADMINISTRATIVE REGION**

**AND**

**THE AMERICAN CHAMBER OF COMMERCE IN HONG KONG**

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**AGREEMENT  
IN RELATION TO  
HONG KONG HARBOUR FEST 2003**

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**THIS AGREEMENT** made on the 10th day of October 2003

**PARTIES:**

- (1) **THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION** (the "**Government**") as represented by THE DIRECTOR-GENERAL OF INVESTMENT PROMOTION at Suites 1501-6, Level 15, One Pacific Place, 88 Queensway, Hong Kong; and
- (2) **THE AMERICAN CHAMBER OF COMMERCE IN HONG KONG** (the "**AmCham**"), a registered society whose principal office is at 1904 Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

**RECITALS:**

- (A) AmCham has made a proposal to the Government for the convening (through a special purpose vehicle of AmCham wholly-owned by members of AmCham (the "**SPV**") of an entertainment showcase festival in Hong Kong, to be called "**Hong Kong Harbour Fest**" the first such Hong Kong Harbour Fest to be held within the period between 1 October 2003 and 30 November 2003 (the "**2003 Festival**").
- (B) The Government has agreed to support the Hong Kong Harbour Fest and to underwrite the shortfall between the organising expenses for and the revenue generated from the 2003 Festival in the form of a fee (the "**Sponsorship Fee**"), the aggregate amount of the Sponsorship Fee not to exceed HK\$100 million which shall be the maximum amount payable under this Agreement by the Government in relation to the 2003 Festival.
- (C) On each of 31 July, 29 August and 3 October 2003, AmCham and the Government entered into legally binding memoranda of understanding in relation to the 2003 Festival (the "**MoUs**").
- (D) This Agreement has been entered into for the purposes of setting out in detail each party's obligations with regard to the convening and underwriting of the Festival as envisaged by the MoUs.

**NOW IT IS HEREBY AGREED as follows:**

**1. INTERPRETATION**

1.1 In this Agreement, unless the context requires otherwise, the following expressions have the following meanings:

- |                                 |  |
|---------------------------------|--|
| <b>"2003 Festival"</b>          | means the Hong Kong Harbour Fest 2003 that is scheduled to take place during the period between 1 October 2003 and 30 November 2003 in Hong Kong;  |
| <b>"2003 Festival Accounts"</b> | means the audited accounts of the SPV (and AmCham, as the case may require) prepared in relation to the 2003 Festival which shall detail the Organising Expenses, relevant revenues and the Net Deficit; |
| <b>"Business Plan"</b>          | shall have the meaning given in Clause 2.2, or the revised plan as set out in Clause 2.6 and accepted by the Government;   |
| <b>"Business Day"</b>           | means a day on which HSBC is open to the public for normal consumer banking business;  |
| <b>"Festival"</b>               | means the Hong Kong Harbour Fest in Hong Kong;   |
| <b>"Festival Venue"</b>         | means the location known as the Tamar Site on Harcourt Road, or other location which may be agreed in writing by AmCham and the Government;  |
| <b>"Hong Kong"</b>              | means the Hong Kong Special Administrative Region of the People's Republic of China;   |

"Indicative Budget"	means the latest budget agreed by both parties as set out in the Second Schedule;
"Indicative Proposal"	means the up-to-date programme of events agreed by both parties as set out in the First Schedule;
"Intellectual Property Rights"	means (i) patents, designs, trade marks and trade names (whether registered or unregistered), copyright and related rights, database rights, know-how and confidential information; (ii) all other intellectual property rights and similar or equivalent rights anywhere in the world which currently exist or are recognised in the future; and (iii) applications, extensions and renewals in relation to any such rights;
"Net Deficit"	means the shortfall (if any) between the Organising Expenses and all recognised revenues represented in the 2003 Festival Accounts as cash at bank or in hand which cash is available for payment or distribution by the SPV (not including the Sponsorship Fee as a revenue item for these purposes) associated with and generated by the 2003 Festival in the period to which the 2003 Festival Accounts are made up;
"Organising Expenses"	means all costs and expenses of an actual or contingent nature (including, without limitation, all taxes, deductions, withholdings and liabilities of AmCham and the SPV whatsoever) in each case in relation to the 2003 Festival as initially detailed for information purposes only in the Indicative Budget (as may be amended from time to time in accordance with the



provisions of this Agreement) as shall be detailed in the 2003 Festival Accounts;

**"Performing Talents"** means the named artists and performers in the Indicative Proposal or other artists and performers as may be agreed by AmCham and the Government from time to time;

**"Sponsorship Fee"** means the sum specified in Clause 3.2; and

**"Sponsorship Rights"** means the rights and powers set out in the Third Schedule.

1.2 The Clause and Schedule headings are for convenience only and shall not affect the interpretation of this Agreement.

1.3 References to Clauses are to Clauses in the main body of this Agreement, and references to Paragraphs are to Paragraphs of the Schedules.

1.4 References to the singular include the plural and vice versa, and references to one gender include the other gender.

## **2. BUSINESS AND BUDGET**

2.1 AmCham shall, with the financial support of the Government as detailed in this Agreement, use its best endeavours to manage the organisation, operation and implementation of the 2003 Festival in accordance with the intended objectives, event mission, rationale and tentative calendar of events for the 2003 Festival set out in the indicative proposal by the Sports and Entertainment Committee of AmCham (as detailed in the **First Schedule** of this Agreement (the **"Indicative Proposal"**)).

2.2 AmCham shall, in consultation with promoters, sponsors, advisers, agents, producers and other persons involved in the 2003 Festival (including the Government), develop the Indicative Proposal as may be necessary or convenient with a view to making a success of the underlying objectives of the 2003 Festival, such document to be adopted as the business plan in relation

to the 2003 Festival ("**Business Plan**").

- 2.3 AmCham may conduct the business of managing, organising, operating, implementing, promoting and marketing the 2003 Festival (the "**Business**") through Red Canvas Limited, a company incorporated in Hong Kong under registration number 718441 (the "**SPV**") wholly-owned by members of AmCham, whose registered office is at Suite 2001, Mass Mutual Tower, 38 Gloucester Road, Wan Chai, Hong Kong, provided that AmCham shall not be relieved from any of its obligations hereunder by the engagement of Red Canvas for the performance of any part of this Agreement.
- 2.4 The indicative budget for the Festival is set out in the **Second Schedule** of this Agreement (the "**Indicative Budget**").
- 2.5 AmCham shall, in consultation with and subject to the scrutiny of its (or the SPV's) accountants and the Government, develop the Indicative Budget and adopt it as the budget in relation to the 2003 Festival ("**Budget**").
- 2.6 If AmCham wishes to materially alter the Business Plan or the Budget then AmCham shall provide the Government with full written particulars of such alterations and with such further information as the Government may reasonably require including up-to-date particulars of the then estimated final amount of the Sponsorship Fee, subject to the maximum Sponsorship Fee of HK\$100 million.
- 2.7 Upon receipt of such revised Business Plan or the revised Budget the Government may elect either:
- (a) to accept such revised Business Plan or revised Budget in writing, in which case this Agreement shall be amended in accordance therewith;  
or
  - (b) to accept such revised Business Plan or revised Budget subject to such modifications as may be proposed by the Government. In the absence of written agreement as to modifications within 10 days after the date of receipt of the revised Business Plan or revised Budget, the Government shall be entitled to reject the revised Business Plan or revised Budget in accordance with paragraph (c) below; or

(c) to reject the revised Business Plan or revised Budget in which event AmCham shall withdraw the revised Business Plan or revised Budget and this Agreement shall continue in force unchanged.

2.8 The Government shall not be obliged to consider or make any modifications to the revised Business Plan or revised Budget save in accordance with the aforesaid procedure.

### **3. UNDERWRITING FEES**

3.1 In consideration of AmCham's agreement to manage the organisation, operation and implementation of the Festival to fulfil its obligations stated herein, the Government shall (subject to the matters set out below) pay to AmCham the Sponsorship Fee.

3.2 The Sponsorship Fee shall be HK\$100 million but shall be reduced (upon finalisation of the 2003 Festival Accounts) to the extent that the Net Deficit is less than that amount. The maximum amount repayable to the Government shall be \$100 million. It shall be assumed, for accounting and practical convenience only until the 2003 Festival Accounts are finalised, that the Sponsorship Fee shall be \$100 million.

3.3 The Sponsorship Fee shall be for use by the SPV in relation to the 2003 Festival.

3.4 HK\$25 million was paid to AmCham upon execution of the first MoU on 31 July 2003, and a further HK\$25 million on each of 29 August and 3 October 2003. The aggregate sum of HK\$75 million already paid to AmCham represents an advance of the Sponsorship Fee.

3.5 In the event that the amount advanced by the Government to AmCham exceeds the amount payable under Clause 3.2, AmCham shall take all steps necessary to the intent that the SPV shall refund the excess to the Government as the Government shall reasonably direct.

3.6 The balance of the Sponsorship Fee (or any part of it not then drawn-down)

shall be made available to AmCham by way of banker's cheque or draft payable in Hong Kong (in such amounts as it shall think fit to draw down) upon 3 Business Day's notice in writing (unless otherwise agreed between the parties in writing) to the Government in accordance with this Agreement.

#### **4. SPONSORSHIP RIGHTS**

- 4.1 AmCham hereby grants to the Government the Sponsorship Rights as set out in the **Third Schedule**.

#### **5. THE GOVERNMENT'S OBLIGATIONS**

- 5.1 The Government agrees to observe and perform the obligations set out in the **Fourth Schedule**.

#### **6. AMCHAM'S WARRANTY AND UNDERTAKING**

- 6.1 AmCham hereby represents, warrants and undertakes to the Government the matters set out in the **Fifth Schedule**.

#### **7. DISCLOSURE OF FINANCIAL ARRANGEMENT**

- 7.1 AmCham hereby acknowledges and agrees that the Government may, whenever it considers appropriate or upon request by any person (written or otherwise) and without any further reference to AmCham, disclose to any person in such form and manner as the Government deems fit the Sponsorship Fee and any other fees, costs and expenses payable to AmCham pursuant to this Agreement.

#### **8. CUSTODIAN OF RIGHTS**

- 8.1 Having regard to the objectives and mission of the Harbour Fest as set out in the **First Schedule**, the parties acknowledge and agree that the Government is

the owner of all of its Intellectual Property Rights, sponsorship and other rights and privileges in relation to the Hong Kong Harbour Fest. AmCham and the SPV shall be the custodian (for all the people of Hong Kong) of all rights granted, assigned or transferred to AmCham by the Government under this Agreement, which permit AmCham to promote, operate and manage the Hong Kong Harbour Fest in conjunction with the SPV.

- 8.2 On 31 December 2008, AmCham shall re-assign or re-transfer all and any such rights and privileges (or procure the same) back to the Government for the benefit of the people of Hong Kong and shall execute and do all such further deeds, documents and things as may be necessary to carry the provisions of this Clause 8 into full force and effect. Until such time, AmCham (or the SPV as the case may be) shall be entitled to any revenues in relation to such rights, which shall be recorded in proper books of account.
- 8.3 The Government shall review its financial support for the annual Hong Kong Harbour Fest in the years subsequent to 2003.

## **9. CONFIDENTIALITY**

- 9.1 Except as expressly provided in this Agreement, all materials and data furnished by or on behalf of the Government and by or on behalf of AmCham or the SPV pursuant to this Agreement shall be treated as confidential information. Neither party shall, during the continuance of the Agreement or at any time thereafter, disclose to any person the terms and conditions of the Agreement, or any confidential information of the other, PROVIDED that the restrictions on disclosure contained in this Clause shall not apply:
- (a) to the disclosure of any information to any person in circumstances where such disclosure is necessary for the performance of either party's duties and obligations under this Agreement;
  - (b) to the disclosure of any information which was rightfully in the possession of such party prior to the commencement of the negotiation leading to this Agreement;
  - (c) to the disclosure of any information which is or becomes public

knowledge otherwise than as a result of breach of this Clause;

- (d) to the disclosure of any information in circumstances where such disclosure is required pursuant to any law or order of a Court of competent jurisdiction; and
- (e) to the disclosure of any information with the prior written consent of the party.

9.2 Nothing in this Clause shall apply to disclosures made by the Government to the Executive Council and/or the Legislative Council of Hong Kong.

9.3 If AmCham shall appoint any agent or subcontractor then AmCham may disclose such information as may be necessary or convenient to enable the agent or the subcontractor to perform its obligations subject to such agent or subcontractor giving the Government an undertaking in similar terms to the provisions of this Clause. The foregoing obligations as to confidentiality shall survive termination of this Agreement.

## **10. ASSIGNMENT**

10.1 Neither party shall assign, or otherwise dispose of any interest, right, benefit or obligation under this Agreement without the other party's prior written consent except that AmCham shall be entitled to assign rights to the SPV and the SPV shall have the right to enforce the benefit of obligations expressed under this Agreement to operate in its favour.

## **11. NOTICES**

11.1 Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the relevant party at its address or facsimile number set out below (or such other address or facsimile number as the addressee has by 5 days' prior written notice specified to the other party):

To the Government : Director General of Investment Promotion  
Invest Hong Kong  
Address : Suites 1501-6, Level 15,  
One Pacific Place  
88 Queensway,  
Hong Kong  
Attn.: Mr Mike Rowse  
Facsimile Number : 3107 9006

To AmCham : 1904 Bank of America Tower  
12 Harcourt Road,  
Hong Kong  
Attn: Mr Jim Thompson  
Facsimile Number : 2810 1289

- 11.2 Such notices shall be deemed to have been properly given hereunder and shall be effective (a) on the date of delivery if hand-delivered; (b) on the date after transmission if sent by facsimile; and (c) if dispatched by mail (whether registered or not), on the day on which the same shall have been confirmed delivered by the postal authority in Hong Kong.

## **12. USE OF THE GOVERNMENT'S NAME**

- 12.1 Subject to Subclause (2) below, AmCham agrees not to use the Government's name in any document, publication, advertisements or publicity material without the prior written consent of the Government except pursuant to AmCham's performance of its obligations hereunder.
- 12.2 AmCham may, with the prior written consent of the Government, use the Government's logo, trademarks and service marks in advertising and promotional materials for the 2003 Festival.

## **13. INDEMNITY**

- 13.1 AmCham shall indemnify the Government and keep the Government fully and effectively indemnified against any and all losses, claims, damages, costs, charges, expenses, liabilities, demands, proceedings and actions or which may be brought or established against it by any person (in each case, arising

out of or in relation to or by reason of any infringement on the copyrights, intellectual property or innominate rights of any third party) which the Government may sustain or incur in relation to the 2003 Festival

**14. GENERAL**

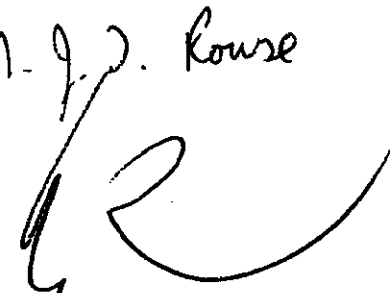
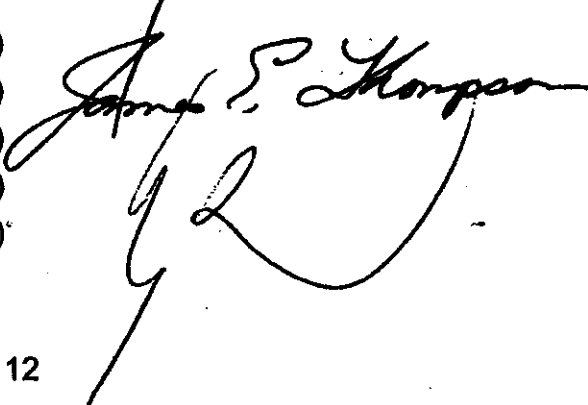
14.1 AmCham is [contracting in its own right] and nothing in this Agreement shall render it an agent or partner of the Government and AmCham shall not hold itself out as such. AmCham shall not have any right or power to bind the Government to any obligation. This Agreement constitutes the entire understanding between the parties concerning the subject matter hereof and shall be governed by and construed in accordance with the laws of Hong Kong. No waiver or amendment of any provision of this Agreement shall be effective unless made by a written instrument signed by both parties.

14.2 Time shall be of the essence of this Agreement (except as regards the timing of any particular acts or of the 2003 Festival), both as regards any dates and periods mentioned and as regards any dates and periods which may be substituted for them in accordance with this Agreement or by agreement in writing between the parties.

**IN WITNESS WHEREOF**, this Agreement has been executed on the day and the year first written above and evidenced by as many copies as there are parties hereto.

SIGNED by M J T Rowse )  
for and on behalf of )  
THE GOVERNMENT OF )  
THE HONG KONG SPECIAL )  
ADMINISTRATIVE REGION )  
In the presence of: ANTHONY LEE )

SIGNED by Jim Thompson )  
for and on behalf of )  
the American Chamber of )  
Commerce in Hong Kong )  
in the presence of: ANTHONY LEE )

M. J. T. Rowse  
  




## **THE FIRST SCHEDULE INDICATIVE PROPOSAL**

- (1) AmCham has presented to the Government and has agreed to manage the organisation, operation and implementation of the 2003 Festival with the intent of developing the following Indicative Proposal in accordance with the terms of this Agreement:
- (a) Objectives –
- ※ Attract visitors from around the region, and around the world, to Hong Kong while providing residents the best in “feel good” international entertainment (***“The World’s Stage”***).
  - ※ Create an annual entertainment festival to promote tourism, and brand Hong Kong as a destination for quality, world-class entertainment and entertainers (***“Where the World Comes to Perform”***).
  - ※ Establish a Harbour-side entertainment landmark venue, with the culture and skyline of Hong Kong as a scenic backdrop, and its people the international hosts (***“World-Class Performing Arts and World-Class Hospitality, Surrounded by World-Famous Architecture”***).
- (b) Event Mission –
- ※ The Festival celebrates the diversity of the “Asia’s World City” with world-class entertainment from around the globe, while highlighting the amazing cultural crossroads that is Hong Kong.
  - ※ The Ultimate objective is to create an entertainment showcase in support of the Government’s effort to revitalise Hong Kong, providing the biggest bang for the investment via a high-profile attention-grabbing collection of world famous performing talents.

(c) Rationale –

- ※ Autumn is “wide open” and ideal for a regular entertainment event in Asia. Hong Kong can be its home.
- ※ Hong Kong can build upon the traditional Asian “Mid-Autumn Festival” by adding an international entertainment component, and become the World’s Stage.
- ※ For the world to understand Hong Kong is open for business and visitors, Hong Kong needs to show them the best that the city has to offer and truly create a visible scene of life.
- ※ To rebuild Hong Kong’s image, there are strategic needs to incorporate a signature international showcase.

(d) Tentative Programme of Events

<u>Serial No.</u>	<u>Date / Time</u>	<u>Artists</u>	<u>Ticket Prices (HK\$)</u>			
			<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
<u>Week 1</u>						
1	Friday 17 Oct	Prince	988	758	488	258
2	Saturday 18 Oct am	Family Fest	All seats \$100			
3	Saturday 18 Oct pm	Craig David	588	388	288	158
4	Sunday 19 Oct am	Family Fest	All seats \$100			
5	Monday 20 Oct	Jose Carreras; Charlotte Church; and HK Philharmonic	988	758	488	258
<u>Week 2</u>						
6	Friday 24 Oct	Twins; t.A.T.u.; Atomic Kitten	588	388	288	158
7	Saturday 25 Oct	Westlife; Energy; evonne Hsu	588	388	288	158
8	Sunday 26 Oct	Air Supply; Ronald Cheng; Eason Chan	388	288	158	-
9	Tuesday 28 Oct	Umoja Charity Premiere	495	395	295	195

<b>Serial No.</b>	<b>Date / Time</b>	<b>Artists</b>	<b>Ticket Prices (HK\$)</b>			
			<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>Week 3</b>						
10	Thursday 30 Oct	Gypsy Kings; Danny Diaz	588	388	288	158
11	Friday 31 Oct	Asian All-Star Night Fly to the Sky; Shine; Boyz; Candy Lo; Gigi Leung; Yumiko; "S"	388	288	158	-
12	Saturday 1 Nov	Santana	988	758	488	258
13	Sunday 2 Nov am	Gary Valenciano (1)	All seats \$158			
14		Gary Valenciano (2)	All seats \$158			
<b>Week 4</b>						
15	Thursday 6 Nov	Neil Young, Michelle Branch	988	758	488	258

**THE SECOND SCHEDULE  
THE INDICATIVE BUDGET**

- (1) AmCham has presented to the Government the following Indicative Budget for the 2003 Festival and has agreed to finalise a Budget on the basis of the programme of events in the First Schedule with any subsequent changes to the Budget to be as determined from time to time in accordance with this Agreement but having regard to the objectives of this Agreement as well as commercial profit making principles, including but not limited to sales of admission tickets and the procurement of commercial sponsorship, with the intent of generating and increasing revenues for the 2003 Festival –

<u>Expenditure#</u>	<u>\$m</u>
Artist Fees	85.8
Operations	30.4
Marketing	6.2
TV Production	6.6
Insurance	4.7
Contingency	<u>2.5</u>
	136.2

<u>Revenue#</u>	<u>\$m</u>
Ticket Sales (assuming 50%)	52.5
Sponsorship	3.1
Merchandise	0.3
Concessions	1.6
TV Rights	<u>1.6</u>
	59.1

**Estimated Shortfall (as at 22.9.03)                      \$77.1 million**

Note#: Neither expenditure nor revenue forecasts include provision of \$8 million for air tickets and hotel rooms, which it is assumed will be sponsored and therefore balanced out.

**THE THIRD SCHEDULE**  
**THE GOVERNMENT'S SPONSORSHIP RIGHTS**  
**(Clause 4)**

AmCham hereby grants to the Government the following rights –

- (1) (a) With effect from the date of this Agreement the Government's name and the logo nominated by the Government shall be featured and included in all promotional materials and signages relating to and/or displayed for the purpose of the 2003 Festival;
- (b) The right to nominate a logo for the purpose of paragraph (1)(a) above, and to change the logo on giving AmCham seven (7) days' prior notice;
- (c) The right to use the individual image of any of the Performing Talents for the promotion of Hong Kong to the extent permitted (and notified by AmCham to the Government as so permitted) including by virtue of the agreements and arrangements to which the Performing Talents are a party or otherwise;
- (d) The right to use TV footages and programmes of performance and related activities of the 2003 Festival for the promotion of Hong Kong, to the extent permitted (and notified by AmCham to the Government as so permitted) including by virtue of the agreements and arrangements to which the Performing Talents are a party or otherwise.

**THE FOURTH SCHEDULE**  
**THE GOVERNMENT'S OBLIGATIONS**  
**(Clause 5)**

The Government agrees –

- (1) to use all reasonable endeavours to assist AmCham and the SPV (including their employees, contractors, sponsors, licensees and other persons nominated by them) in procuring full and unencumbered vacant possession (including access to and egress from the public highway) as intended of the 2003 Festival Venue not later than the date of this Agreement, and the essential utility supplies to AmCham and the SPV's reasonable satisfaction.
- (2) to use all reasonable endeavours to assist AmCham and the SPV in procuring (subject to cooperation of AmCham and the SPV in reasonable time as may be required or convenient) all necessary licences, consents and permissions to enable the 2003 Festival to take place as envisaged and work with such persons on an on-going basis to ensure the same are procured in good time.
- (3) to ensure that AmCham shall be permitted to use the 2003 Festival Site until 30 November 2003; and
- (4) to supply at its own costs finished artwork relating to the Government's name, logo and other identification provided for herein by the deadlines mutually agreed by both parties.

**THE FIFTH SCHEDULE**  
**AMCHAM'S COMMITMENTS**  
**(Clause 6)**

- (1) AmCham hereby represents, warrants and undertakes to the Government that –
- (a) AmCham shall use its best endeavours to conduct the Business on sound and proper commercial profit making principles in accordance with this Agreement, including but not exclusive of the determination of appropriate pricing strategy for the admission tickets, the procurement of commercial sponsorship, with the intent of generating and increasing revenues for the 2003 Festival having regard to the overall objectives set out in this Agreement;
  - (b) AmCham shall use its best endeavours to ensure proper administration of the sale of admission tickets and to identify opportunities for securing appropriate commercial sponsorship for the 2003 Festival;
  - (c) AmCham agrees to procure the production of a Hong Kong marketing video, being one special TV programme, capturing the highlights of the 2003 Festival, for airing and distribution to networks for broadcast in overseas markets with a view to expanding the broadcast coverage of the programmes;
  - (d) AmCham shall take all reasonably prudent steps to secure its or the SPV's Intellectual Property Rights in relation to the Hong Kong Harbour Fest and related matters;
  - (e) AmCham shall use reasonable endeavours such that the secured performing talents shall take part in side programmes as arranged by AmCham, and/or other promotional activities as the Government may reasonably request from time to time during their stay in Hong Kong, for the purpose of promoting Hong Kong;
  - (f) AmCham shall cause proper books of account in relation to the 2003 Festival to be kept with respect to :

- (i) all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place;
  - (ii) all sales and purchases of goods; and
  - (iii) all assets and liabilities;
- (g) AmCham shall procure that there shall be prepared and submitted to the Government the following information as soon as reasonably practicable after their preparation by the appointed accountants:
  - (i) the Business Plan;
  - (ii) the Budget;
  - (iii) a review of the Budget; and
  - (iv) audited accounts in relation to the 2003 Festival not later than 28 February 2004 (to include an analysis of revenue and a statement of the source and applications of funds);
- (h) AmCham shall use its best endeavours to procure compliance by the SPV with all legislation and regulations regarding health and safety and crowd security matters relating to the 2003 Festival Site;
- (i) AmCham shall procure that the SPV shall, as part of the Organising Expenses, at all relevant times in relation to the 2003 Festival take out and maintain appropriate insurance cover.
- (j) Save as otherwise provided in the Fourth Schedule, the SPV shall, at its own cost provide, manage and implement all security measures and services relating to the 2003 Festival as part of the Organising Expenses;
- (k) AmCham shall ensure that all press releases to the media by it mentioning the Government are approved in advance by the Government who shall likewise allow AmCham an approval right in



relation to any releases which mention AmCham, the SPV or the 2003 Festival, such approval not to be unreasonably withheld or delayed by either party;

- (l) AmCham shall consider all reasonable requests from the Government or its agents to run joint promotional activities;
- (m) AmCham shall use its best endeavours to uphold the good name, image and reputation of the Government in relation to the 2003 Festival and shall not make any statements or engage in conduct which is likely to damage or bring into disrepute the name and/or image and/or reputation of the Government. AmCham shall ensure that the obligation to uphold the Government's image as referred to in this paragraph is notified to all of its employees, contractors and agents.

## Hong Kong Harbour Fest

<u>Date</u>	<u>Artists</u>		<u>Zone</u>			
			<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
Fri 17 Oct	<b>Prince*</b>	Ticket Prices	\$988	\$758	\$488	\$258
		No. of Seats	3,306	3,643	5,170	1,032
Sat 18 Oct.	<b>Family Festival</b>	Ticket Prices		\$100		
		No. of Seats		13,151		
Sat 18 Oct	<b>Craig David*</b>	Ticket Prices	\$588	\$388	\$288	\$158
		No. of Seats	3,306	3,643	5,170	1,032
Sun 19 Oct	<b>Family Festival</b>	Ticket Prices		\$100		
		No. of Seats		13,151		
Mon 20 Oct	<b>Jose Carreras/ Charlotte Church &amp; the HK Philharmonic Orchestra*</b>	Ticket Prices	\$988	\$758	\$488	\$258
		No. of Seats	3,306	3,643	5,170	1,032
Fri 24 Oct	<b>Twins/ t.A.T.u</b>	Ticket Prices		Free		
		No. of Seats		13,151		
Sat 25 Oct	<b>Westlife/ Energy/ eVonne Hsu*</b>	Ticket Prices	\$588	\$388	\$288	\$158
		No. of Seats	3,306	3,643	5,170	1,032
Sun 26 Oct	<b>Air Supply/ Ronald Cheng/ Eason Chan<sup>#</sup></b>	Ticket Prices	\$388	\$288	\$158	-
		No. of Seats	6,949	5,170	1,032	-
Thu 30 Oct	<b>Gipsy Kings/ Danny Diaz*</b>	Ticket Prices	\$588	\$388	\$288	\$158
		No. of Seats	3,306	3,643	5,170	1,032
Fri 31 Oct	<b>Asian-all-Stars Shows<sup>#</sup></b>	Ticket Prices	\$388	\$288	\$158	-
		No. of Seats	6,949	5,170	1,032	-
Sat 1 Nov	<b>Santana*</b>	Ticket Prices	\$988	\$758	\$488	\$258
		No. of Seats	3,306	3,643	5,170	1,032
Sun 2 Nov	<b>Gary Valenciano (1)</b>	Ticket Prices		\$158		
		No. of Seats		13,151		
Sun 2 Nov	<b>Gary Valenciano (2)</b>	Ticket Prices		\$158		
		No. of Seats		13,151		
Thu 6 Nov	<b>Neil Young, Michelle Branch*</b>	Ticket Prices	\$988	\$758	\$488	\$258
		No. of Seats	3,306	3,643	5,170	1,032
Fri 7 Nov	<b>Rolling Stones*</b>	Ticket Prices	\$1988	\$1288	\$588	\$288

<u>Date</u>	<u>Artists</u>	<u>Zone</u>				
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	
		No. of Seats	3,306	3,643	5,170	1,032
Sun 9 Nov	Rolling Stones*	Ticket Prices	\$1988	\$1288	\$588	\$288
		No. of Seats	3,306	3,643	5,170	1,032

**Total number of seats : 13,151**

**\* Seating Plan attached at Annex 1**

**# Seating Plan attached at Annex 2**

維港巨星匯

日期	表演歌星		分段			
			A	B	C	D
十月十七日 (星期五)	王子*	票價	\$988	\$758	\$488	\$258
		座位數目	3,306	3,643	5,170	1,032
十月十八日 (星期六)	一家親同樂日	票價		\$100		
		座位數目		13,151		
十月十八日 (星期六)	Craig David*	票價	\$588	\$388	\$288	\$158
		座位數目	3,306	3,643	5,170	1,032
十月十九日 (星期日)	一家親同樂日	票價		\$100		
		座位數目		13,151		
十月二十日 (星期一)	Jose Carreras/ Charlotte Church & the HK Philharmonic Orchestra*	票價	\$988	\$758	\$488	\$258
		座位數目	3,306	3,643	5,170	1,032
十月二十四日 (星期五)	Twins/ t.A.T.u	票價		Free		
		座位數目		13,151		
十月二十五日 (星期六)	Westlife/ Energy/ 許慧欣*	票價	\$588	\$388	\$288	\$158
		座位數目	3,306	3,643	5,170	1,032
十月二十六日 (星期日)	Air Supply/鄭中基/陳奕迅*	票價	\$388	\$288	\$158	-
		座位數目	6,949	5,170	1,032	-
十月三十日 (星期四)	Gipsy Kings/ Danny Diaz*	票價	\$588	\$388	\$288	\$158
		座位數目	3,306	3,643	5,170	1,032
十月三十一日 (星期五)	亞洲人氣偶像之夜*	票價	\$388	\$288	\$158	-
		座位數目	6,949	5,170	1,032	-
十一月一日 (星期六)	Santana*	票價	\$988	\$758	\$488	\$258
		座位數目	3,306	3,643	5,170	1,032
十一月二日 (星期日)	Gary Valenciano (1)	票價		\$158		
		座位數目		13,151		
十一月二日 (星期日)	Gary Valenciano (2)	票價		\$158		
		座位數目		13,151		
十一月六日 (星期四)	Neil Young, Michelle Branch*	票價	\$988	\$758	\$488	\$258
		座位數目	3,306	3,643	5,170	1,032
十一月七日 (星期五)	滾石樂隊*	票價	\$1988	\$1288	\$588	\$288
		座位數目	3,306	3,643	5,170	1,032

日期	表演歌星	分段				
		A	B	C	D	
十一月七日（星期日）	滾石樂隊*	票價	\$1988	\$1288	\$588	\$288
		座位數目	3,306	3,643	5,170	1,032

全場座位總數：**13,151**

\* 座位編排於附件一

\* 座位編排於附件二

# STAGE

Price 票價	A Res	B Res	C Res	D Res
Adult 成人	\$588	\$388	\$288	\$158

Admit one only / Age Limit : 6 years or above  
 只招待6歲或以上人士入場  
 所有人士均需一人一票入場



Section 601-1 to 606-1 are riser area / 601-1至606-1為梯級式座位

# STAGE

Price 票價	A Res	B Res	C Res
Adult 成人	\$388	\$288	\$158

Admit one only / Age Limit : 6 years or above  
 只招待6歲或以上人士入場  
 所有人士均屬一人一票入場



Section 601-1 to 606-1 are riser area / 601-1至606-1為梯級式座位