

An Academic Financial Study

for

The West Kowloon Cultural District

FOR DISCUSSION

Commissioned by

The Hong Kong Arts Development Council

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1. Executive Summary

1. The Government of the Hong Kong Special Administrative Region is inviting Proposals for the planning, design, financing, construction, procuring, fitting out, completion and subsequent operation, maintenance and management of the development of the West Kowloon Cultural District (WKCD – the Project).
2. Based on the Government's "Invitation For Proposal" (IFP), this study is to outline an overall picture of the financial position of the Project as a whole, and the Arts & Cultural Portion in particular.
3. The total development cost of the Project is estimated as \$25.1 billion Hong Kong.
4. The Gross Development Value of the Commercial Portion would be in the order of \$36.4 billion upon completion, as at today's prices. And the respective development cost for the Commercial Portion would be in the order of \$11.8 billion.
5. The Commercial Portion's residual land value, under the constraints of the IFP, would therefore be in the order of \$24.6 billion.
6. This Commercial land value of \$24.6 billion would allow the public owner to pay for:
 - a) The Arts & Cultural portion, \$7.6 billion;
 - b) Features of the Foster scheme, \$5.6 billion; and
 - c) A Trust Fund of \$11.4 billion.
7. This \$11.4 billion Trust Fund would be sufficient to acquire art exhibits of values compatible to those of the Hong Kong Art Museum. And as an alternative, this would also be sufficient to cover a franchise fee for exhibiting art works by rotations, if the largest Modern Art Museum in WKCD were run by cooperating with a royalty museum. The remainder of the Trust Fund, in either case, could be used for generating income to cover potential operating deficits of the Arts & Cultural Portion
8. The yearly investment income generated by the remaining fund is, however, insufficient to operate the Arts & Cultural portion, if it were run on government principles (those currently adopted by the Leisure and Cultural Services Department (LCSD)); but marginally sufficient, on commercial principles.
9. An estimated developer's profit of \$3.5 billion (20% on development cost, but excluding interest cost) has been allowed for in this study.

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2. Background and Scope

A. Background

1. The Government of the HKSAR is inviting Proposals for the planning, design, financing, construction, procuring, fitting out, completion and subsequent operation, maintenance and management of the development of the West Kowloon Cultural District (WKCD).
2. Details of this invitation are set out in the "Invitation For Proposals" (IFP), available to the public. (website: <http://www.hplb.gov.hk/wkcd>)
3. The deadline for submission of Proposals was extended to June 19, 2004.

B. Scope

1. This study aims to outline, based on the "IFP", an overall picture of the financial position of the Project before this deadline.
2. At this preliminary stage, it's impossible to work out a detailed financial assessment of the Project. The aim of this study is, therefore, to establish an outline financial position based on:
 - a. Conditions set out by the "IFP";
 - b. Current construction industry;
 - c. Current property market;
 - d. Financial data of museums and performing venues management by the Leisure & Cultural Services Department (LCSD) of the Hong Kong Government.
 - e. Financial data of other museums and performing venues in Hong Kong, or overseas, available at the time.
3. To arrive at financial estimates, assumptions are inevitable. These assumptions should not be regarded as accurate information for the future scope, design, and management of the Project.
4. The outline financial positions under alternative scenarios are also investigated:
 - a. residential price levels varying from \$55,000 to \$95,000 per m²; and
 - b. an alternative equity arrangement.
5. As a preliminary financial study, it aims to provide an agenda for further discussions.

3. General Assumptions and Limitations

A. Areas and figures in this report, which define the scope of the project:

1. should not be regarded as recommendations. They are assumed, based on the "IFP", for the mere purpose of this financial study;
2. are not based on any detailed design drawings. Their viability and accuracies, are subject to detailed design development;
3. are prepared without input from any structural, civil, or building services engineers; and
4. may not add up at the last digits every time as presented. This is because of the rounding-ups behind these presented figures. They are not corrected in order to avoid other contradictions arriving from these minor corrections.

B. Financial figures in this report:

1. are not based on any detailed design, or marketing research/management strategies. They only indicate a rough guide to the probable cost and revenues - based on comparisons of the current "IFP" to the chosen comparables. Many other factors may vary these estimates;
2. are based on figures available in the 4th quarter of 2003, and the 1st of 2004. No allowances of fluctuations, in costs and prices between now and later dates, have been allowed for; and
3. are in Hong Kong Dollars, unless otherwise stated.

C. The alternative equity arrangement:

1. Profit sharing arrangements between land owners and developers may take many different forms. The simplest arrangement, known as equity, is also investigated in this report. Without prejudice to other arrangements, equity is chosen for an alternative analysis in this report because of its simplicity: it provides a clear basis for further investigations.
2. Joint venture arrangements other than equity, such as build-operate-transfer, the sharing of super-profits, ..., etc, may be evaluated once concrete proposals are available.

4. Specific Assumptions

1. A 2,500 seats Concert Hall, not forming part of the “Core Arts & Cultural Facilities” under the IFP, has been included as “Other Arts & Cultural Facilities”.
2. Interest during construction is assumed to be 8% in this report. The best lending rate is currently around 5% per annum. The 10 years average from 1994 to 2003 is 7.83%; and the 20 years, from 1984 to 2003, 8.24%.
3. To minimise the substantial interest costs during and after construction, 50% of the commercial gross floor area is assumed to be sales residential.
4. These 50% residential units are assumed to be completed and sold within 3 years of commencement of construction; while the entire project would take 5 years to complete.
5. The following key percentages are assumed in this report:
 - a. 20% developer's profit on development cost (excluding interest cost);
 - b. 15% design and professional fees on construction cost;
 - c. 20% design and professional fees for the Foster Canopy.
6. "Owner" in this report simply means the governing body of the Arts & Cultural Portion of the project. Its composition and method of operations are beyond the scope of this study.
7. This report assumes different sets of principles in operating the Arts and Cultural facilities:
 - a. “Government” (or "LCSD's") principles means the current principles and practices adopted by the Leisure and Cultural Services Department;
 - b. "Commercial” denotes “Quasi-Commercial” principles – assuming the corporatisation of current LCSD's practices, typically characterised by:
 - i. lower staff cost; and
 - ii. more marketing campaigns (hence tickets sold); but
 - c. Neither “Government” nor “Commercial”/“Quasi-commercial" principles assume a different policy of ticket pricing. In either case, LCSD's current ticket pricing policy is assumed; and
 - d. "Broadway's" and "Royalty" assume operation principles compatible to those adopted by the respective overseas institutions, including their ticket pricing policies.
7. No land cost, or any taxation, has been included in this study.

I. A Land Valuation under the Current “IFP”

I. A Land Valuation under the Current “IFP”

5. Areas & Figures (Assumptions)

A	Site area	400,900 m ²
.		
B	Total gross floor area	Plot ratio: 1.8116 726,285 m²
.		

1.	Core Arts and cultural	29.46%	213,950 m²
	10,000 seats Performance Venue		54,775
	2,000 seats Theatre A + Resident Company 1		34,319
	800 seats Theatre B + Resident Company 2		13,650
	400 seats Theatre C		4,519
	MOMI: Museum of Moving Image - Imax Theatre		25,000
	MOMA: Museum of Modern Art		49,000
	MOI/MOD: Museums of Ink and Design		20,187
	AEC: Art Exhibition Area		<u>12,500</u>
	5,000 seats Water Amphitheatre	non-accountable to GFA	
	30,000 m ² for 4 Piazza Areas		open space
	carparks		1,180nos
2.	Commercial (including Other Arts & Cultural)	67.79%	492,335 m²
a)	Other Arts and Cultural Facilities		
	2,500 seats Concert Hall	3.83%	27,785
b)	Commercial		
	Retail/Restaurant/Entertainment	<i>assume</i> 22%	159,783
	Residential	40%	290,514
	Retail: Arts & Culture related	<u>1.96%</u>	<u>14,253</u>
	Commercial Open Spaces		20,000 m ²
	Car parks: Retail	700	
	Residential	1,090	1,790 nos

5. Areas & Figures (Assumptions) (cont'd)

B. Total gross floor area (cont'd)

3. Others	2.75%	20,000	m2
(GIC: Government, Institutions, & Community)			
Reprovision: Tsim Sha Tsui Fire Station Complex		13,240	
Kln South No. 2 Salt Water Pumping Station		800	
New: Police Post		350	
Electricity substation building		500	
Public Toilets		1,200	
Refuse collection point		570	
Contingency space		<u>3,340</u>	
Dual 2-lane carriageway	1,100		linear m
New piled promenade over seawall	2,700		linear m
Car parks	100		nos.

C. Features of the Foster Scheme & related requirements

Surface area of the Foster canopy (assume 55% site coverage, & allowing for curvatures)	240,000	m2
New seawall	2,000	linear m
Excavations & Reclamations	10,000	m2
Automated People Mover (APM)	2,000	linear m
Above ground stations (3 nos. for APM)	11,000	m2

D. Open spaces **260,000** m2

Not more than 10% intermixed with commercial	20,000
5000 seats water amphitheatre	10,000
4 piazza areas	30,000
landscape/paving areas (Arts & Cultural Portion)	100,000
landscape/paving areas (Commercial Portion)	100,000

6. Residual Land Valuation

A. Residual Land Value - Commercial Portion

<u>Value upon completion:</u>	<u>valued at:</u>		<u>\$ million</u>
1) Retail/Restaurant/Entertainment	\$70,000	per m2	11,185
2) Residential	\$75,000	per m2	21,789
3) Retail: Arts & Culture related	\$35,000	per m2	499
4) Commercial Open Spaces	\$17,500	per m2	350
5) Car parks:	\$450,000	each	805
6) Interest earned (from residential sales)			<u>1,813</u>
	Gross Development Value :		36,441
	LESS Development Cost (commercial portion):		<u>11,835</u>
	Residual Land Value:		<u>24,606</u>

B. This Commercial Land Value

\$ million

24,606

would pay for:

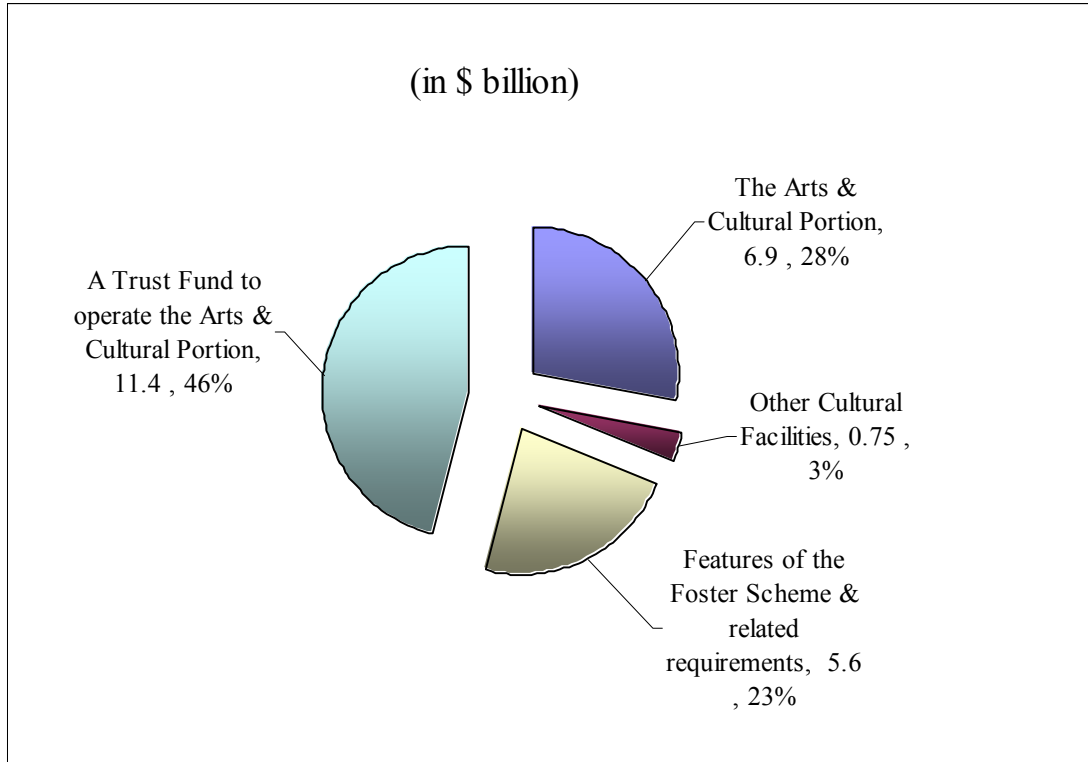
1) The development costs of:		
a) The Arts & Cultural Portion;	7,652	
b) Features of the Foster Scheme & related requirements;	<u>5,578</u>	<u>13,230</u>

and allow:

2) A Trust Fund to operate the Arts & Cultural Portion		<u>11,376</u>
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6. Residual Land Valuation (cont'd)

This Commercial Land Value, \$24.6 billion, would pay for:



7. Capital and Recurrent Accounts (Arts & Cultural Operations)

Capital

Acquisition Funds (\$ million)

	<u>Operating Principles</u>	
Museum of Modern Art	Government (3,000)	Royalty (280)
Museums of Ink and Design	Government (1,200)	Commercial (1,200)
Total capital funds required:	(4,200)	(1,480)
<u>To be met by:</u>		
Owner's Trust Fund:	11,376	11,376
Surplus Asset:	<u>7,176</u>	<u>9,896</u>

Recurrent

Yearly Surplus/ Deficits (\$ million)

	<u>Operating Principles</u>	
10,000 seats Performance Venue	Government 24	Commercial 48
2,500 seats Concert Hall	Government (2)	Commercial 7
Theatres A,B,C	Government (9)	Broadway's 88
Museum of Moving Image - Imax Theatre	Government (18)	Commercial (14)
Museum of Modern Art	Government (205)	Royalty (70)
Museums of ink and design	Government (120)	Commercial (115)
Art Exhibition Area	Government (7)	Commercial 6
Water Amphitheatre & Piazza Areas	Government (71)	Commercial (65)
Programme Expenses/Subsidies	Government (50)	Commercial (30)
Operating Deficits before depreciation allowance:	(459)	(144)
<u>Depreciation</u>		
Straight line in years: 30		
Arts & Cultural Portion:	(255)	(255)
Features of the Foster Scheme:	(186)	(186)
Yearly Operating Deficits:	(900)	(585)
<u>To be met by:</u>		
potential investment return on Surplus Asset, at: 6%	431	594
Net Yearly Surplus/Deficit:	<u>(469)</u>	<u>9</u>

8. Alternative Market Scenarios

		<u>Scenarios: Residential Prices Per m2</u>					
		<u>\$95,000</u>	<u>\$85,000</u>	<u>\$75,000</u>	<u>\$65,000</u>	<u>\$55,000</u>	
		<u>valued at:</u>					
		—					
1)	Retail/Restaurant/ Entertainment (monthly rental value)	per m2	\$88,667	\$79,333	\$70,000	\$60,667	\$51,333
2)	Residential	per m2	\$95,000	\$85,000	\$75,000	\$65,000	\$55,000
3)	Retail: Arts & Culture related	per m2	\$44,333	\$39,667	\$35,000	\$30,333	\$25,667
4)	Commercial Open Spaces	per m2	\$22,167	\$19,833	\$17,500	\$15,167	\$12,833
5)	Car parks:	each	\$570,000	\$510,000	\$450,000	\$390,000	\$330,000
		<u>Commercial Portion's Values (in million)</u>					
1)	Retail/Restaurant/ Entertainment		\$14,167	\$12,676	\$11,185	\$9,693	\$8,202
2)	Residential		\$27,599	\$24,694	\$21,789	\$18,883	\$15,978
3)	Retail: Arts & Culture related		\$632	\$565	\$499	\$432	\$366
4)	Commercial Open Spaces		\$443	\$397	\$350	\$303	\$257
5)	Car parks:		\$1,020	\$913	\$806	\$698	\$591
6)	Interest earned (from residential sales)		<u>\$2,296</u>	<u>\$2,055</u>	<u>\$1,813</u>	<u>\$1,571</u>	<u>\$1,329</u>
	Development Value (commercial portion) :		\$46,158	\$41,299	\$36,441	\$31,582	\$26,723
	LESS Development Cost (commercial portion):		<u>\$11,835</u>	<u>\$11,835</u>	<u>\$11,835</u>	<u>\$11,835</u>	<u>\$11,835</u>
Commercial Portion's Residual Land Value:			\$34,323	\$29,464	\$24,606	\$19,747	\$14,888

8. Alternative Market Scenarios (cont'd)

Commercial Portion's	\$34,323	\$29,464	\$24,606	\$19,747	\$14,888
Residual Land Value:					

which would pay for
the development cost of:

a) The Arts & Cultural Portion	\$7,652	\$7,652	\$7,652	\$7,652	\$7,652
b) Features of the Foster Scheme	<u>\$5,578</u>	<u>\$5,578</u>	<u>\$5,578</u>	<u>\$5,578</u>	<u>\$5,578</u>

The Trust Fund:	\$21,093	\$16,235	\$11,376	\$6,517	\$1,658
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Government operating principles

a) LESS Acquisition Fund	<u>(\$4,200)</u>	<u>(\$4,200)</u>	<u>(\$4,200)</u>	<u>(\$4,200)</u>	<u>(\$4,200)</u>
b) Fund available for investment	\$16,893	\$12,035	\$7,176	\$2,317	(\$2,542)
c) 6% investment return	\$1,014	\$722	\$431	\$139	(\$152)
d) Yearly Operating Deficits	<u>(\$900)</u>	<u>(\$900)</u>	<u>(\$900)</u>	<u>(\$900)</u>	<u>(\$900)</u>
Net Yearly Surplus/Deficit:	<u>\$114</u>	<u>(\$178)</u>	<u>(\$469)</u>	<u>(\$761)</u>	<u>(\$1,052)</u>

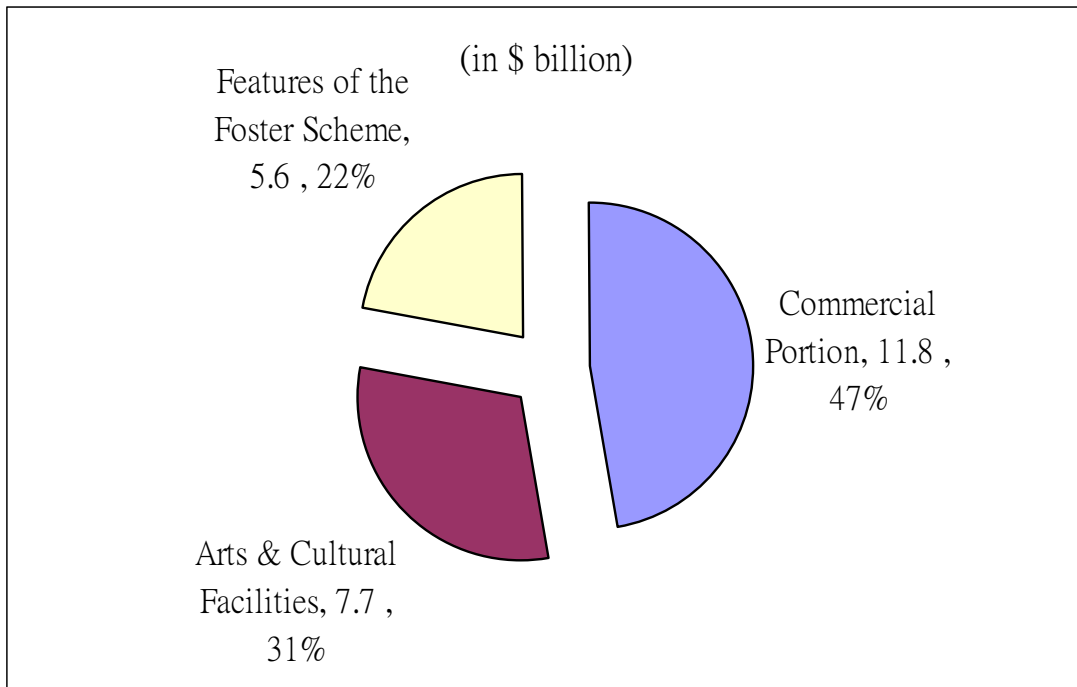
Commercial Operating Principles

a) LESS Royalty/ Acquisition Fund	<u>(\$1,480)</u>	<u>(\$1,480)</u>	<u>(\$1,480)</u>	<u>(\$1,480)</u>	<u>(\$1,480)</u>
b) Fund available for investment	\$19,613	\$14,755	\$9,896	\$5,037	\$178
c) 6% investment return	\$1,177	\$885	\$594	\$302	\$11
d) Yearly Operating Deficits	<u>(\$585)</u>	<u>(\$585)</u>	<u>(\$585)</u>	<u>(\$585)</u>	<u>(\$585)</u>
Net Yearly Surplus/Deficit:	<u>\$592</u>	<u>\$300</u>	<u>\$9</u>	<u>(\$283)</u>	<u>(\$575)</u>

9. Development Cost Summary

<u>in \$ million</u> <u>as at final completion</u>	Commercial Portion (includes 70% GIC)	Arts & Cultural Portion (includes 30% GIC)	Features of the Foster Scheme	Total
1) Construction costs	6,473	3,761	3,000	13,234
2) Consultants' fees	971	564	570	2,105
3) Furniture and equipment		565		565
4) Legal & marketing	10	8		18
5) Contingencies	745	488	357	1,590
Subtotal:	8,199	5,386	3,926	17,512
6) 20% Developer's profit	1,640	1,077	785	3,502
7) Interest costs	1,996	1,188	866	4,050
Total	<u>11,835</u>	<u>7,652</u>	<u>5,578</u>	<u>25,065</u>

9. Development Cost Summary (cont'd)



10. Development Cost Build-up

	<u>as at final completion</u>	<u>\$ million</u>
A) <u>The Commercial Portion</u>		
1) Construction costs		6,123
Site investigation and survey	3	
Retail/Restaurant/Entertainment	2,477	
Residential	3,138	
Retail: Arts & Culture related	221	
External works:		
landscape/paving/drainage/lighting/railings	180	
Car parks:	105	
	<hr/>	
2) Consultants' fees and reimbursables (assume 15% on Item A1)		918
3) Legal and Marketing expenses		10
4) Contingencies (assume 10% on Items A1+A2+A3)		705
		<hr/>
		7,757
5) Interest costs @ 8% per annum: assuming 5 years total construction		
3 years for 50% residential portion: completed end of year 3		626
5 years for the rest		1,272
20% Developer's profit (on items A1, A2, & A3)		1,551
		<hr/>
		11,207
6) 70% of GIC's development cost attributable to the Commercial Portion:		628
		<hr/>
Development Cost (Commercial portion):		<hr/>
		11,835

10. **Development Cost Build-up (cont'd)**

	<u>as at final completion</u>	<u>\$ million</u>
B. <u>The Arts & Cultural Portion</u>		
1) Construction costs		3,612
site survey seats Performance Venue	2	
10,000 seats Concert Hall	702	
2,500 seats Theatre A + Resident Company 1	356	
2,000 seats Theatre B + Resident Company 2	464	
800 seats Theatre C	185	
400 Museum of Moving Image - Imax Theatre	64	
MOMI: Museum of Modern Art	356	
MOMA: Museums of Ink and Design	694	
MOI/MOD: Art Exhibition Area	286	
AEC:	133	
carparks seats Water Amphitheatre	69	
5,000 seats Performance Venue	45	
4 piazza areas	105	
External works: landscape/paving/drainage/lighting/railings	<u>150</u>	
2) Consultants' fees and reimbursables (assume 15% on Item B1)		542
3) Furniture and equipment (assume 15% on Item B1)		542
4) Additional for Imax equipment		23
5) Marketing and promotion		<u>8</u>
		4,726
6) Contingencies (assume 10% on Items B1,...,B5)		<u>470</u>
		5,197
7) Interest costs @ 8% per annum: assuming 5 years construction		1,146
8) 20% Developer's profit (on items B1,...,B6)		<u>1,039</u>
		7,382
	Add 30% of GIC's development cost attributable to the Arts & Cultural Portion:	<u>269</u>
	Development Cost (The Arts & Cultural Portion):	<u><u>7,652</u></u>

10. Development Cost Build-up (cont'd)

C. Features of the Foster Scheme & related requirements

1) Construction costs: GIC		3,000
The Foster Canopy	2,400	
New seawall	200	
Excavations & Reclamations	50	
Automatic People's Mover (APM), twin track viaduct	156	
Above ground stations (3 nos. for APM)	194	
		<hr/>
2) 15% Consultants' fees and reimbursable (20% on Canopy)		570
3) Contingencies (assume 10% on Items C1+C2)		<hr/> 357
		3,926
4) Interest costs @ 8% per annum: assuming 5 years construction		866
5) 20% Developer's profit (on items C1,C2, & C3)		<hr/> 785
	Development Cost	
	(Features of the Foster Scheme & related requirements):	<u>5,578</u>

10. Development Cost Build-up (cont'd)

D. Others: GIC (Government, Institutional, & Community)

1) Construction costs		499
Site survey	1	
Tsim Sha Tsui Fire Station Complex	118	
Kln South No. 2 Salt Water Pumping Station	4	
Police Post	3	
Electricity substation building	3	
Public Toilets	9	
Refuse collection point	3	
Contingency space	23	
Carparks	5	
Dual 2-lane carriageway	33	
New piled promenade over seawall	297	
		<hr/>
2) 15% Consultants' fees and reimbursable		75
3) Contingencies (assume 10% on Items D1+D2)		57
		<hr/>
		632
4) Interest costs @ 8% per annum: assuming 5 years construction		139
5) 20% Developer's profit (on items D1, D2, &D3)		126
		<hr/>
	Development Cost (GIC):	898
		<hr/> <hr/>
Assume % GIC attributable to the Commercial Portion:	69.71%	628
Assume % GIC attributable to the Arts & Cultural Portion:	30.29%	269

II. An Alternative Equity Analysis

II. An Alternative Equity Analysis

11 Residual Land Valuation & Equity

A) Value as at Completion			
<u>Commercial Portion:</u>	<u>valued at:</u>	<u>\$ million</u>	
1) Retail/Restaurant/Entertainment	\$70,000 per m2	11,185	
2) Residential	\$75,000 per m2	21,789	
3) Retail: Arts & Culture related	\$35,000 per m2	499	
4) Commercial Open Spaces	\$17,500 per m2	350	
5) Car parks:	\$450,000 each	806	
6) Interest earned (from residential sales)		<u>1,813</u>	
Development Value (Commercial Portion):		36,441	
<u>Other Portions - valued at cost:</u>			
7) The Arts & Cultural Portion		7,652	
8) Features of the Foster Scheme & related requirements		<u>5,578</u>	
Gross Development Value :		49,670	100%
B) Total Development Cost*		25,065	50.5%
1) The Commercial Portion	11,835		
2) The Arts & Cultural Portion	7,652		
3) Features of the Foster Scheme & related requirements	<u>5,578</u>		
Residual Land Value:		24,606	49.5%
* Total development cost includes 20% developer's profit.			

C) Output Shares		<u>Value in</u>	<u>\$ million</u>	Owner's	Developer's
				<u>49.5%</u>	<u>50.5%</u>
	<u>Commercial Portion</u>	<u>100%</u>	<u>36,441</u>		
1)	Owner's Share	31.2%	11,376	22.9%	
2)	Developer's Share	68.8%	25,065		50.5%
	<u>Owner's 100% Share of:</u>		<u>13,230</u>		
3)	The Arts & Cultural Portion		7,652	15.4%	
4)	Features of the Foster Scheme & related requirements		<u>5,578</u>	11.2%	
			<u>49,670</u>	100%	

II. An Alternative Equity Analysis (cont'd)

12. Capital and Yearly Revenues (Commercial Portion)

Capital Revenues

\$ million

A) Residential sales (including residential carparks), and interest earned	<u>23,601</u>	100%
Equity:		
1) owner's	7,368	31.2%
2) developer's	16,234	68.8%

Yearly Revenues

\$ million

A) Yearly rental income* derived from:	<u>750</u>	100%
1) Retail/Restaurant/Entertainment	677	
2) Commercial facilities: Arts & Culture related (assume 50% rental concession)	29	
3) Car parks:	<u>44</u>	
B) Equity:		
1) owner's	234	31.2%
2) developer's	<u>516</u>	68.8%

* assuming rents and vacancy rates compatible to statistics in the relevant district (see s.14)

II. An Alternative Equity Analysis (cont'd)

13. Capital and Recurrent Accounts (Arts & Cultural Portion)

<u>Capital</u>	<u>Acquisition Funds (\$ million)</u>	
	<u>Operating Principles</u>	
Museum of Modern Art	Government (3,000)	Royalty (280)
Museums of Ink and Design	Government (1,200)	Commercial (1,200)
Total capital funds required:	(4,200)	(1,480)
To be met by Owner's share of residential sales:	7,368	7,368
Surplus Asset:	3,168	5,888

<u>Recurrent</u>	<u>Yearly Surplus/ Deficits (\$ million)</u>	
	<u>Operating Principles</u>	
10,000 seats Performance Venue	Government 24	Commercial 48
2,500 seats Concert Hall	Government (2)	Commercial 7
Theatres A,B,C	Government (9)	Broadway's 88
Museum of Moving Image - Imax Theatre	Government (18)	Commercial (14)
Museum of Modern Art	Government (205)	Royalty (70)
Museums of ink and design	Government (120)	Commercial (115)
Art Exhibition Area	Government (7)	Commercial 6
Water Amphitheatre & Piazza Areas	Government (71)	Commercial (65)
Programme Expenses/Subsidies	Government (50)	Commercial (30)
Operating Deficits before depreciation:	(459)	(144)
<u>Depreciation Straight line in 30 years:</u>		
Arts & Cultural Portion:	(255)	(255)
Features of the Foster Scheme:	(186)	(186)
Yearly Operating Deficits:	(900)	(585)
<u>To be met by:</u>		
Owner's share of yearly rental income:	234	234
Potential investment return on Surplus Asset, at: 6%	190	353
Net Yearly Surplus/Deficit:	<u>(476)</u>	<u>2</u>

III. Supporting Data & Detailed Assumptions

III. Supporting Data & Detailed Assumptions

14. Values and Rents per m2
GFA

A. Grade A Offices **For WKCD, assume value: \$40,000**
Assume monthly rental (5% yield): \$170

1) Prices and rents

a) Rating & Valuation's HK Property Review,
Monthly Supplement, March 2004: Table 2.1,2.2 per m2

i) Average Prices, Tsim Sha Tsui District	Dec-03	\$45,905
	Jan-04	\$ 56,164
ii) Average Rent per month, Tsim Sha Tsui District	Feb-04	\$187

b) Reference transactions: gross m2 per m2

i) 5/F Wing On Plaza, 62 Mody Rd., TST East	Jan-04	21,919	\$40,888
ii) Unit 1913, Concordia Plaza, TST East	Jan-04	101	\$42,211
iii) Unit 1605-06, Concordia Plaza, TST East	11-Mar-04	370	\$53,800
iv) Unit 18, 5/F New Mandarine Plaza, Twr B, TST East	15-Mar-04	143	\$43,809
v) The entire 16/F, 2 Admiralty Centre, 18 Harcourt Rd.	6-Nov-03	10,627	\$44,353
vi) The entire 22/F, Fairmount House, 8 Cotton Tree Dr.	17-Nov-03	8,860	\$47,118
vii) The entire 28/F, Convention Plaza, 1 Harbour Rd.	19-Nov-03	14,628	\$52,961

c) Reference rental levels: per month per m2

i) Harbour City	Mar-04	\$100
ii) One Peking Road	Apr-03	\$100
iii) Gateway Tower 6, Canton Road - high floors	Mar-04	\$150
iv) Oteprise Square, 26 Nathan Road- low floors	Mar-04	\$100
v) Oteprise - high floors with sea view (600 m2 per floor)	Mar-04	\$130

14. Values and Rents (cont'd)

A. Grade A Offices (cont'd)

2) Stock		<u>m2 gfa</u>	
a) Rating & Valuation's HK Property Review, 2003, Table 17,20,50			
i) Stock at Yau Tsim Mong District	end 2002	981,800	
ii) Vacancy rate, Yau Tsim Mong District	end 2002		7.8%
iv) Stock, overall in Hong Kong	end 2002	5,257,300	
v) Vacancy rate, overall in Hong Kong	end 2002		10.8%
vi) 10-year average rental yield	1993-2002		5.8%
b) Proposed development at Union Square at Kowloon Station			
iii) Packages 5,6,7	by 2010	231,778	

14. Values and Rents (cont'd) per m2

GFA

B. Retail **For WKCD, assume value: \$70,000**

Assume monthly rental (6.5% yield): \$380

1) Prices and rents **(commercial open spaces at 25% of the above)**

a) Rating & Valuation's HK Property Review, Monthly Supplement,
March 2004: Table 3.1,3.2 per m2

i) Average prices, Kowloon	Dec-03		\$140,611
ii) Average prices, Kowloon	Jan-04		\$156,300
iii) Average rents, Kowloon	Dec-03	per month	\$1,176
iv) Average rents, Kowloon	Jan-04	per month	\$872

b) Reference transactions at Tsim Sha Tsui

Street level shops:

		in m2 gfa	Per m2
i) Shop No 14, 14-16 Canton Road	26-Nov-03	112	\$385,563
ii) G/F, Unit 64 Park Lane Shopper's Boulevard	13-Mar-04	766	\$416,914
iii) Street-front shop, 46 Haipong Road	25-Nov-03	84	\$410,074
iv) G/F, Unit 22, New Mardarin Plaza Arcade, TST East	7-Feb-04	36	\$253,177
v) G/F, Unit B Star House	28-Jan-04	379	\$161,933

Upper floors of arcade:

vi) 2/F New Mardarin Plaza Arcade, TST East	17-Feb-04	4,289	\$22,385
vii) 3/F Pearl Oriental Tower	18-Feb-04	350	\$23,429

c) Reference rental levels:

Street level shops:

		<u>per month</u>
		<u>per m2</u>
i) G/F Shops at Canton Road: e.g. nos. 14, 58	Mar-04	\$2500 to \$ 3000
ii) Gateway, G/F shops, Harbour City, 300-400 m2 units	Mar-04	\$3,000
iii) One Peaking Road, shops	Feb-03	\$1,600

Upper floors of arcade:

iv) One Peking Road, restaurants	Mar-04	\$250 to \$ 450
v) Oterprise Square, 26 Nathan Road- 1/F,2/F shops	Mar-04	\$750
vi) Ocean Terminal (shops near LCX, 3/F)	Mar-04	\$450up

14. Values and Rents (cont'd)

B. Retail (cont'd)

2) Stock

a) Rating & Valuation's HK Property Review, 2003; 2004 Preliminary Findings Table 27, 29, 30, 50		m2 gfa	
i) Stock at Yau Tsim Mong District	end 2002	1,848,000	
ii) Stock, overall in Hong Kong	end 2003	9,278,000	
iii) overall vacancy rate, 5-year average	1998-2002		9.0%
iv) Forecast completions in Yau Tsim Mong District	2003-2005	122,000	
v) Forecast overall completions	2004-2005	148,000	
vi) average retail rental yield, 10-year average	1993-2002		6.5%
b) Proposed development at WKCD		159,783	
i) as % of stock at Yau Tsim Mong	by 2002		8.1%
ii) as % of overall stock in Hong Kong	by 2003		1.7%
c) Proposed development at Union Square at Kowloon Station			
i) Packages 5,6,7	by 2010	82,750	
d) Major shopping malls in Kowloon			
i) Harbour City in Tsim Sha tsui	approx.	186,000	
ii) Festival Walk in Kowloon Tong	approx.	91,000	
iii) Langham Place in Mong Kok	approx.	56,000	

14. <u>Values and Rents (cont'd)</u>		<u>per m2</u>
		<u>GFA</u>
C. <u>Residential/</u>	For WKCD, assume value:	\$75,000
<u>Serviced apartments</u>	For WKCD, assume value:	\$81,000
	monthly rental (5% yield):	\$310

1) Prices and rents

a) Rating & Valuation's HK Property Review, Monthly Supplement, March 2004: Table 1.1,1.2			<u>per m2</u>
i) Average prices, HK, Class D (100 to 159.9 m2)	Jan-04		\$55,796
ii) ditto, Class E (160 m2 or above)			\$80,898
iii) Average prices, Kowloon, Class D	Jan-04		\$43,626
iv) ditto, Class E			\$41,376
v) Average rents, Hong Kong, Class D	Jan-04	per month	\$220
vi) ditto, Class E		per month	\$261
vii) Average rents, Kowloon, Class D	Jan-04	per month	\$144
viii) ditto, Class E		per month	\$177

b) Reference transactions:		<u>m2 gfa</u>	<u>Per m2</u>
i) Flat C, 70/F, Harbourside Tower	17-Mar-04	127	\$95,943
ii) Flat A, 38/F, Harbourside Tower	17-Mar-04	129	\$81,038
iii) Flat 9, 31/F Metropolis Residence Tower 2	15-Mar-04	145	\$78,594
iv) Flat D, 57/F Sorrento Tower 6	13-Mar-04	93	\$71,298
v) Flat F, 11/F, Sorrento Tower 2	2-Apr-04	130	\$56,965
vi) Flat C, 33/F The Waterfront, Tower I	22-Mar-04	137	\$65,996
vii) Flat C, 15/F The Waterfront, Tower II	11-Mar-04	109	\$59,778

c) Reference rental levels:		<u>per month</u>
		<u>per m2</u>
i) The Pinnacle, 8 Minden Avenue, TST, serviced apartments	Mar-04	serviced apt \$300 unfurnished \$200up
<u>Union Square at Kowloon Station:</u>		
ii) Waterfront serviced Apartments	Feb-04	inc. \$330
iii) Sorrento & Waterfront	Mar-04	unfurnished \$180

14. Values and Rents (cont'd)

C. Residential/ Serviced apartments (cont'd)

2) Stock

a) Rating & Valuation's HK Property Review, 2003; 2004 Preliminary Findings

Table 3, 8, 10, 50

i) Stock in Kowloon, Classes D & E (100 m2 or above)	end 2002	3,690	units
ii) Stock, overall in Hong Kong	end 2003	1,012,000	units
iii) Overall vacancy rate	1998-2002		5.7%
iv) Forecast completions in Kowloon, Classes D & E	2003-2005	2,525	units
v) Forecast completions, overall in Hong Kong	2004-2005	48,500	units
vi) 10-year average rental yield	1993-2002		4.8%

b) Proposed development at WKCD (assume avg. size: 150 m2 per unit) 1,937 units

i) as % of Stock in Kowloon, Classes D & E by 2005	31.2%
ii) as % of overall stock at end 2003	0.19%
iii) as % of overall stock by 2005	0.18%

D. Carparks (residential)

For WKCD, assume each carpark: \$450,000

monthly rental (6% yield): \$2,250

1) Prices

a) Reference transactions:

Union Square at Kowloon Station:

each carpark

i) Waterfront	Mar-04	fr: \$350,000 to \$500,000
ii) Sorrento	Mar-04	fr: \$410,000 to \$600,000
iii) Victoria Towers	Apr-04	fr: \$600,000 to \$640,000
iv) Harbourside (carpark units 2A-067,202; 2-076)	Mar-04	each \$500,000

15. Approximate Building Costs per m²

A. Offices **Assume: \$12,500**

1. Davis, Langdon & Seah International (4th Quarter 2003)
Prestige offices, high rise
curtain wall elevations, granite finishes, Central A/C
and light fitting to tenant areas \$12,300 up
2. Levett & Bailey (March 2004), costs at 4th quarter 2003 prices
High quality office building from \$9,350 to \$12,500

B. Retail/ Shopping centre **Assume: \$15,500**

1. Davis, Langdon & Seah International (4th Quarter 2003)
Prestige shopping centres
excludes A/C ducting and light fitting to tenant areas \$12,500 up
2. Levett & Bailey (March 2004), costs at 4th quarter 2003 prices
High quality shopping centre
excludes fit out to tenant areas from \$13,100 to \$15,500

C. Hotels/ Serviced apartments **Assume: \$16,500**

1. Davis, Langdon & Seah International (4th Quarter 2003)
5-star hotels
inclusive of F.F.& E., and 1 level basement \$16,300 up
2. Levett & Bailey (March 2004), costs at 4th quarter 2003 prices
5-star hotel
including F.F.&E. from \$14,600 to \$17,500

D. Residential **Assume: \$10,800**

1. Davis, Langdon & Seah International (4th Quarter 2003)
Luxury apartments, high rise
inclusive of air-conditioning from \$9,000 to \$10,800
2. Levett & Bailey (March 2004), costs at 4th quarter 2003 prices
High rise, high quality residential from \$8,300 to \$10,450

15. Approximate Building Costs (cont'd)

cost indices 1,207 * 895 *
in 12/1998 12/2003

E. Recreation and Arts Buildings

Davis Langdon & Seah International eds.,

Spon's Asia Pacific construction costs handbook, 2000 per m2 per m2

1. Theatres (over 500 seats) including seating and stage equipment	\$18,240	\$13,525
2. Theatres (less than 500 seats) including seating and stage equipment	\$19,200	\$14,237
3. Concert halls including seating and stage equipment	\$17,280	\$12,813
4. National museum including full air conditioning and standby generator	\$19,100	\$14,163
5. Local museum including full air conditioning	\$14,400	\$10,678
6. Civic offices, fully air conditioned	\$12,000	\$8,898

F. Notes

These construction costs per square meter:

1. are based on prices obtained by competitive tendering for lump sum fixed price contracts with normal contract period; and are based on normal site conditions and locations, with minimum external works.
2. are based on areas measured to the outside face of the external walls including lift shafts, stairwells, balconies, plants rooms, water tanks and the like.
3. are not based on specific drawings/design. Therefore they only indicate a rough guide to the probable cost of a building, and many other factors may vary this cost.
4. excludes costs for furniture, fixtures, and equipment, (unless otherwise stated in hotel/serviced apartments)
5. excludes land cost, professional fees, finance and legal expenses,
6. *Davis Langdon & Seah's Tender Price Index

16. Approximate Civil Engineering Costs

A. Relocating existing seawall

1. Construction method according to Foster and Partner's West Kowloon Competition Winning Masterplan, Technical Feasibility Statement For Discussion, May 2002, page 24
2. Budget cost estimate cost per linear meter \$100,000

B. New piled promenade over seawall

1. Construction method according to Foster and Partner's West Kowloon Competition Winning Masterplan, Technical Feasibility Statement For Discussion, May 2002, page 23
2. Budget cost estimate cost per linear meter \$110,000

C. Excavations and Reclamations

1. To create the new promenade frontage, some re-profiling works will be required.
In this process of excavation and reclamation, it is assumed, for simplicity of analysis, that there's no net gain, or loss, in the total site area of 400,900 m²
2. Budget cost estimate average cost per square meter excavated (and reclaimed) \$5,000

D. 8m wide dual carriageway

1. dual 2-lane at grade with normal earthworks cost per linear meter \$30,000

F. Notes

These construction costs:

1. are based on prices obtained by competitive tendering for lump sum fixed price contracts with normal contract period; and are based on normal site conditions.
2. are not based on specific drawings/design. Therefore they only indicate a rough guide to the probable cost of a building, and many other factors may vary this cost.
3. excludes land cost, professional fees, finance and legal expenses,

17. The Foster Canopy

Assume: \$10,000 per m2 surface area

Special monthly management fee from \$5 to \$10 per m2

- A) Foster and Partners' (May 2002) Technical Feasibility Statement discussed the technical viability of the Great Canopy.
- B) This Statement considers the technical, structural, climatic, wind, environmental, design, construction, claddings, steel tonnage (for double skin grid structures), as well as maintenance aspects of the Canopy.
- C) This statement also lists 5 generic types of modular panels on the proposed modular steel structure. They include:
- 1) Solid Opaque Panel;
 - 2) Permeable Panel;
 - 3) Glazed Panel;
 - 4) Louver Panel; and
 - 5) Open Grillage Panel.
- D) A detailed cost estimate is not feasible at this stage without further design information. For the purpose of this financial, a budget cost of \$10,000 per m2 is allowed for the construction of the Canopy.
- E) Considering the level of professional expertise required for the design and supervision of this canopy, a total professional fee (for architects, structural, climatic, environmental engineers, etc) of 20% on construction costs is allowed.
- F) On maintenance, the Statement also recommends permanent provision allowing maintenance personnel to access points all across the roof. Materials will be chosen to minimise cleaning and maintenance. Replacement of panel would also be lifted from ground level without the use of cranes.
- G) As for operating costs, it is assumed that operation and maintenance cost will be recovered at cost by charging a separate management fee for all users in WKCD. A monthly charge of \$5- \$10 per m2 per month (\$0.46 \$0.93 per square foot) will allow annual budget of some \$24 to \$48 million to operate and maintain the Canopy, which might be sufficient for costs for staff, cleaning, energy and parts, subject to the design

18. Automatic People's Mover (APM)

A. Assumptions for WKCD's Automatic People's Mover:

1. Standards compatible with KCRC's Kowloon Southern Link (KSL)
2. Twin tracks viaduct connected to Tsim Sha Tsui centre/MTR 2 km
3. Budget costs
 - a) Twin track viaduct (average) \$78,000 per m
 - b) Above ground station at grade (on Foster's structure)
cost per unit covered floor area \$17,600 per m²

B. Information of KCRC's Kowloon Southern Link

1. Source: <http://www.kcrc.com/eng/corporate/project/index.asp?page=KSL>
2. Length 4.5 km
3. Stations
 - East Tsim Sha Tsui
 - Kowloon West
 - Nam Cheong
4. Status
 - currently under planning, expected commencement mid 2004
 - expected completion 2008
5. Estimated cost (money-of-the-day) \$11.2 billion

B. Operating costs

No comparable data on the running cost of the APM is available at the time of this study. As the prime purpose of providing the APM is to encourage visitors, it is therefore assumed the APM ticket is priced at running costs (staff, electricity, maintenance...etc). Say, if the yearly operating cost is \$100 million a year, and the number of tickets sold was estimated to be 10 million, then a round trip ticket is charged at \$10.

19. The 10,000-Seats Performance Venue

Comparable: The Hong Kong Coliseum

Projections for WKCD

Opening Year	1983	Operating Principles	
Construction Cost	\$175M (as costed in 1983)	Government	Commercial
Scheduled Maintenance Cost since 2000	2000/01: \$0.62M 2001/02: \$1.85M 2002/03: \$7.51M	Allow Yearly renovation fund (\$ million) 5.0	
Cost for Last Major Renovation Work	1999/2000: External painting-\$3.2M	GFA: 54,775 m2	
Gross Floor Area	10, 000m ²	Seating Capacity : 10,000 seats	
Venue : Arena	Seating Capacity : 12,500	Yearly Revenue (\$million)	
Tickets Issued	N/A	70.5 *	90.0
Tickets Price Range	N/A	Yearly Expenditure (\$ million)	
Attendance	1, 633, 193	18.0	13.5
Revenue 2002/2003	Amount	15.0	15.0
Hiring	\$86,837,724	8.0	8.0
Other Revenue	\$7,629,948	0.12	0.25
Total	\$94,467,672	-	0.25
Expenditure 2002/2003	Amount	41.1	37.0
Salaries	\$18, 968, 456		
Operating Costs	\$17, 625, 851		
Electricity, Cleaning and Security	\$7, 677, 021		
Publicity	\$124, 510		
Promotional Activities	\$0		
Total	\$44, 395, 838		

Projected Yearly Surplus/Deficit
(after renovation fund):

24 (\$ million) 48

* Assuming 40% overall market growth due to a new WKCD; and WKCD has a 20% competitive advantage over the HK Coliseum

20. The Concert Hall

Comparable:
The Hong Kong Cultural Centre

Projections for
Theatres A,B,C, at WKCD

Construction Year (Opening Year)	1989
Construction Cost	\$1,393.96M (as costed in 2002)
Scheduled Maintenance Cost since 2000	2000/01: \$5.53M 2001/02: \$8.65M 2002/03: \$7.8M
Cost for Last Major Renovation Work	2002/03: \$1.5M
Gross Floor Area (m ²)	82,231
Venue :	Seating Capacity :
Concert Hall	2,019
Grand Theatre	1,734
Studio Theatre	534
Tickets Issued	N/A
Tickets Price Range	N/A
Attendance	613,684
Revenue 2002/03	Amount
Hiring	\$55,746,000
Other Revenue	\$25,237,000
<u>Total</u>	<u>\$80,983,000</u>
Expenditure 2002/03	Amount
Salaries	\$26,802,279
Operating Costs	\$37,281,659
marketing	-
Electricity, Cleaning and Security	\$19,739,311
<u>Total</u>	<u>\$83,823,249</u>

Operating Principles	
Government	Commercial
Yearly renovation fund (\$ million) <u>2.6</u>	
27,785 m2 (GFA)	
Seating Capacity :	
Concert Hall	2500
Average Ticket Price (\$)	
-	500
Usage rate: tickets per seat per day	
39.2%	45.0%
Yearly Revenue (\$ million)	
47	54
Yearly Expenditure (\$ million)	
18	13
22	22
-	2
7	7
47	44

Projected Yearly Surplus/Deficit
(after renovation fund):

(2)

7

21. Theatres A,B, & C

**Comparable:
The Hong Kong Cultural Centre**

**Projections for
Theatres A,B,C, at WKCD**

Construction Year (Opening Year)	1989	Operating Principles	
Construction Cost	\$1,393.96M (as costed in 2002)	Government	Broadway's
Scheduled Maintenance Cost since 2000 Cost for Last Major Renovation Work	2000/01: \$5.53M 2001/02: \$8.65M 2002/03: \$7.8M 2002/03: \$1.5M	Yearly renovation fund (\$ million) <u>5.0</u>	
GFA (m ²)	82,231	52,488	m2 (GFA)
Venue :	Seating Capacity :	Seating Capacity :	
Concert Hall	2,019	Theatre A	2000
Grand Theatre	1,734	Theatre B	800
Studio Theatre	534	Theatre C	400
Tickets Issued	N/A	Average Ticket Price (\$)	
Tickets Price Range	N/A	-	500
Attendance	613,684	Usage rate: tickets per seat per day	
Revenue 2002/03	Amount	39.2%	66.8%
Hiring	\$55,746,000	Yearly Revenue (\$ million)	
Other Revenue	\$25,237,000	60	374
<u>Total</u>	<u>\$80,983,000</u>	Yearly Expenditure (\$ million)	
Expenditure 2002/03	Amount	23	inclusive
Salaries	\$26,802,279	28	
Operating Costs	\$37,281,659	13	
Electricity, Cleaning and Security	\$19,739,311	64	280.3
<u>Total</u>	<u>\$83,823,249</u>		

Projected Yearly Surplus/Deficit
(after renovation fund): (9) (\$ million) 88

21. Theatres A,B, & C (cont'd)

Notes to Projections based on Broadway Theatres' operating principles:

- 1) Considering the general lack of Broadway productions in Asia, we assume the average ticket price of USD67 at USA Broadway, as well as its 61% usage rate, can be sustained in Hong Kong.
- 2) 90% of Broadway Theatres' gross revenues in the US go to production and operating costs. For Hong Kong, considering 5% to 8% savings on rental expenses (owner's property), as well as generally lower salaries and overheads, we assume 75% production and operating costs.
- 3) The seating capacity in Theatre A is a bit higher than the maximum capacity in Broadway; and that in C is lower than the minimum. Bringing them closer together may bring economies to productions.

22. Museum of Moving Image (MOMI)

IMAX Theatre

Comparable:

Hong Kong Space Museum 2002/2003

Projections for MOMI at WKCD

Opening Year	1980
Construction Cost	N.A.
Scheduled Maintenance Cost since 2000	N.A.
Cost for Last Major Renovation Work	Nil
Gross Floor Area	8,000m ²
Venue :	Seating Capacity :
Lecture Hall	193
Space Theatre	312
Tickets Price Range	with 50% concessions
Space Theatre	from \$24 to \$32
Exhibition Hall	\$10
Attendance	731,431
Space Theatre	350,992
Exhibition Halls	351,878
Extension Activities	28,561
Revenue 2002/03	Amount
Admission and Hiring	\$10,591,000
Other Revenue	\$180,000
<u>Total</u>	<u>\$10,771,000</u>
Expenditure 2002/03	Amount
Salaries	\$16,589,000
Operating Costs	\$18,925,000
Electricity, Cleaning and Security	\$3,281,000
Publicity	\$1,553,000
Artefacts and Exhibitions	\$518,000
<u>Total</u>	<u>\$40,866,000</u>

Operating Principles:	
Government	Commercial
Allow Yearly renovation fund 2.5 (\$ million)	
GFA:	25,000 m ²
Seating Capacity : 500	
Assume Average Ticket Price (\$) 55 (45 minutes shows)	
Usage Rate: Tickets per seat per day Assume compatible to Space Theatre: 300% (average)	
Yearly Revenue:	
Tickets:	30.1 (\$ million)
Yearly expenditure (\$ million)	
16.6	12.4
18.9	18.9
3.3	3.3
1.6	1.6
0.5	0.5

22. Museum of Moving Image (MOMI) (cont'd)

IMAX Theatre (cont'd)

Comparable:

Hong Kong Space Museum 2002/2003

Projections for
MOMI at WKCD

<u>Capital investment: IMAX Equipment</u>	
Typically USD 3 Million,	
or:	
in million \$:	23.4

<u>IMAX Royalty: 7% revenue</u>	
<u>Films copyrights: 10% revenue</u>	
5.1	5.1
Total:	46.0 41.8

Projected Yearly Surplus/Deficit (after renovation fund): (18) (14) (\$ million)

23. **Museum of Modern Art (MOMA)**

**A) Projections assuming Government Operating Principles
Comparable:
The Hong Kong Art Museum 2002/2003**

**Projections for
MOMA at
WKCD**

Opening Year	1991
Construction Cost	\$235M (as costed in 1991)
Scheduled Maintenance Cost since 2000	2000/01: \$2M 2001/02: \$5.06M 2002/03: \$2.11M
Cost for Last Major Renovation Work	2001/02: Chinese Antiquities Gallery II-\$4.9M
Gross Floor Area	17, 500m ²
Tickets Price Range	N/A
Attendance	283,123
Estimated Value of Collections as at April 2000	\$1,031M
2000/01 Acquisition Expenditure	(Million \$) 9
Loan Exhibition Cost	6
2001/02 Acquisition Expenditure	(Million \$) 5
Loan Exhibition Cost	14
2002/03 Acquisition Expenditure	(Million \$) 4
Loan Exhibition Cost	8
The Most Outstanding Exhibition of the Museum since 2000: Alberto Giacometti	3 May-1 July, 2002 Special Exhibition Gallery 1 (1000 m ²) Cost: \$4.4M

<u>Operating Principles:</u> Government
 Allow <u>Yearly renovation fund</u> 14 (\$ million)
 Assume GFA: 49,000 m ²
 Allow <u>Capital Fund</u> for Acquisition: 3000 (\$ million)
 <u>Yearly Revenue</u> Admission & Hiring 3.2 Other Revenue 5.6 <u>Total 8.8</u>

23. Museum of Modern Art (MOMA) (cont'd)

A) Projections assuming Government Operating Principles (cont'd)

Comparable:

The Hong Kong Art Museum 2002/2003

Projections for
MOMA at WKCD

Revenue 2002/2003	Amount
Admission and Hiring	\$1,130,000
Other Revenue	\$2,010,000
<u>Total</u>	<u>\$3,140,000</u>
Expenditure 2002/2003	Amount
Salaries	\$21,520,000
Operating Costs	\$17,178,000
Electricity, Cleaning and Security	\$9,659,000
Publicity	\$3,393,000
Artefacts and Exhibitions	\$11,933,000
<u>Total</u>	<u>\$63,683,000</u>

<u>Yearly Expenditure (\$ million)</u>	
Yearly acquisition:	17
Loan exhibition:	26
Special exhibitions: (3 times yearly)	12
Salaries	60
Operating Costs	48
Electricity, Cleaning, security	27
Publicity	10
<u>Total</u>	<u>200</u>

Projected Yearly Surplus/Deficit (after renovation fund): (205) (\$ million)

23. Museum of Modern Art (MOMA) (cont'd)

B) Projections assuming "Royalty" Operating Principles

Comparable:

A Royalty Museum in Taiwan

Projections for

MOMA/MOI/MOD at WKCD

Opening Year	2008
Estimated Construction Cost	NTS 30 billion
Gross Floor Area (m2)	49,000
Renovation and Maintenance Fund	N/A
Tickets Price Level	10 USD
Attendance	1,024,000
Full Fee Equivalent	48.26%
Franchise Fee	USD 36 million
<u>Revenue</u>	
Admission	USD 4.94 million
Other Revenue	USD 3.22 million
<u>Total</u>	USD 8.16 million
<u>Yearly Expenditure</u>	
Yearly exhibitions:	USD 8.35 million
Operating Expenditure	USD 9.17 million
<u>Total</u>	USD 17.5 million

<u>Operating Principles:</u>	
Royalty	
GFA:	49,000 m2
<u>Yearly renovation fund</u>	
14	(\$million)
Ticket Price	80 \$
Attendance	1.3 million
Full Fee Equivalent	48.26% (concessions)
<u>Capital Fund (million \$)</u>	
Franchise Fee	280
<u>Yearly Revenue (million \$)</u>	
Admission	48.9
Other Revenue	31.9
<u>Total</u>	<u>80.8</u>
<u>Yearly Expenditure (million \$)</u>	
Exhibitions	65.1
Operating Expenditure	71.5
<u>Total</u>	<u>136.7</u>

Projected Yearly Surplus/Deficit (after renovation fund, in million \$): (70) (\$ million)

24. Museums of Ink and Design (MOI/MOD)

Comparable:

The Hong Kong Art Museum 2002/2003

**Projections for
MOI/MOD at WKCD**

Opening Year	1991	Operating Principles:	
Construction Cost	\$235M (as costed in 1991)	Government	Commercial
Scheduled Maintenance Cost since 2000	2000/01: \$2M 2001/02: \$5.06M 2002/03: \$2.11M	<u>Allow (\$million)</u> <u>Yearly renovation fund</u> 4	
Cost for Last Major Renovation Work	2001/02: Chinese Antiquities Gallery II-\$4.9M		
Gross Floor Area (m2)	17,500	GFA (m2):20,187	
Tickets Price Range	N/A	Allow	
Attendance	283,123	<u>Capital Fund (\$ million)</u>	
Estimated Value of Collections as at April 2000	\$1,031M	for Acquisition:1200	
2000/01	(Million \$)	<u>Yearly Revenue (\$million)</u>	
Acquisition Expenditure	9		
Loan Exhibition Cost	6		
2001/02	(Million \$)	<u>Admission & Hiring</u>	
Acquisition Expenditure	5	1.3	1.4
Loan Exhibition Cost	14	<u>Other Revenue</u>	
2002/03	(Million \$)	2.3	2.6
Acquisition Expenditure	4	<u>Total</u>	
Loan Exhibition Cost	8	<u>3.6</u>	<u>4.0</u>
The Most Outstanding Exhibition of the Museum since 2000: Alberto Giacometti	3 May-1 July, 2002 Special Exhibition Gallery 1 (1000 m ²) Cost: \$4.4M	<u>Yearly Expenditure (\$ million)</u>	
Revenue 2002/2003	Amount	<u>Yearly acquisition:</u>	
Admission and Hiring	\$1,130,000	20	20
Other Revenue	\$2,010,000	<u>Loan exhibition:</u>	
<u>Total</u>	<u>\$3,140,000</u>	30	30

24. Museums of Ink and Design (MOI/MOD) (cont'd)

Comparable:
The Hong Kong Art Museum 2002/2003

Projections for
MOI/MOD at WKCD

Opening Year	1991	Operating Principles:	
		Government	Commercial
Expenditure 2002/2003	Amount	<u>Special exhibitions</u> (3 times yearly)	
Salaries	\$21,520,000	10	10
Operating Costs	\$17,178,000	<u>Salaries</u> 25	19
Electricity, Cleaning and Security	\$9,659,000	<u>Operating Costs</u> 20	20
Publicity	\$3,393,000	<u>Electricity</u> 11	11
Artefacts and Exhibitions	\$11,933,000	<u>...etc</u>	
<u>Total</u>	<u>\$63,683,000</u>	<u>Publicity</u> 4	5
		<u>120</u>	<u>115</u>

Projected Yearly Surplus/Deficit
(after renovation fund, \$ million): (120) (115)

25. Art Exhibition Centre (AEC)

**Comparable:
The Hong Kong Convention & Exhibition Centre**

**Projections for AEC
at WKCD**

Financial Year	2002-2003
Gross Floor Area (m2)	223,000
<u>Revenue</u>	<u>per m2</u>
exhibition rentals, Event services, & F&B	\$1,400
<u>Expenditure</u>	<u>per m2</u>
Operating expenses	\$775
Provision for renovation	\$90
Operating Profit	\$535

Operating Principles	
Government	Commercial
GFA: 12,500 m2	
Revenue (\$ million)	
9	18
Expenditure	
Operating expenses	Operating expenses
14	10
Provision for renovation	Provision for renovation
2	2
Operating surplus/deficit	
<u>(7)</u>	<u>6</u>

26. Water Amphitheatre and Piazza Areas

**5000 seats Water Amphitheatre
30000 m2 for 4 Piazza Areas**

Scale of Shows	each show at cost	Number of shows in a year*			Total yearly cost for shows (\$ million)
		Water Amphitheatre	Piazza Areas	Total Shows	
grand	\$700,000	18		18	12.6
large	\$300,000	52		52	15.6
medium	\$100,000		36	36	3.6
regular	\$25,000	313	104	417	10.4
small	\$10,000		313	313	3.1

Total: 45.4

*Assume 18 public holidays, 313 week days (including Saturdays), & 52 weeks a year.

Operating Principles:		
	Government	Commercial
Revenue (\$ million)		
Admissions	free	free
Commercial Rent	1.0	5
Yearly expenditure (\$ million)		
Salaries	14.0	10.5
Operating Costs	7.0	7.0
Electricity, Cleaning and Security	3.0	3.0
Publicity	1.0	2.0
Shows	45.4	45.4
Renovation Fund	2	2
	72.4	69.9
	<u>(71)</u>	<u>(65)</u>
		(\$ million)

27. Programme Expenses

Projections for
WKCD

<u>LCSD 2001/2002</u>	
<u>Total Programme Expenses</u>	<u>\$</u>
	<u>138,248,287</u>
A) Cultural Presentations Office	\$97,520,794
Local Programme	\$58,696,941
Visiting Programme	\$38,823,853
Attendance	753,469
Number of Performances	<u>1,846</u>
Music	388
Dance	123
Multi-arts	159
Theatre	272
Chinese Opera	168
Audience Building Programme	736
B) Festivals Office	\$16,443,493
(2001 International Arts Carnival) (2001 Legends of China)	
Programming and Production Costs	\$18,670,123
Publicity & Printing	\$4,809,596
LESS Ticketing Revenue	\$(6,741,446)
LESS Sponsorship	\$(294,780)
local participating groups	48
visiting groups	31
Attendance	263,052
C) Entertainment Office	\$24,284,000
(Outdoor Events...)	(P.T.O.)

<u>Allow Yearly</u>
<u>Program Expenses</u>
(in million)
<u>Government principles</u>
50
<u>Commercial Principles</u>
30
<u>Other costs</u>
<u>for</u>
<u>Festivals</u>
<u>and</u>
<u>Entertainment</u>
are allowed for in the
Operating costs of
Water Amphitheatre
and Piazza Areas

27. Programme Expenses (cont'd)

LCSD 2001/2002 (cont'd)

C) Entertainment Office	\$24,284,000
(Outdoor Events)	
Mid- Autumn Festival Events	\$4,474,000
Spring Festival Events	\$2,963,000
Eater, Christmas & New Year Events	\$2,382,000
Events in support of Major Arts Festivals	\$859,000
Special Events	\$2,069,000
Joint Presentations	\$306,000
Fireworks	\$21,000
Regular Free Entertainment Programmes	\$8,214,000
Administration and operational Expenses	\$2,996,000

Important Note: All Figures on this page have not included overheads/administration cost at the head office, which is not available at the time of this study.

28. Price and Cost Indices

(October 1999 - September 2000 = 100)

Consumer Price Indices: CPI			Construction cost Tender Price Indices			
	Index	Year-on-year % change	Year	Quarter	ASD's BWTPI	DLS's TPI
1984	39.8	+8.6	1970		100	100
1985	41.2	+3.5	1994	4	666	843
1986	42.6	+3.8	1995	4	747	968
1987	45.1	+5.7	1996	4	885	1091
1988	48.6	+7.8	1997	4	1051	1310
1989	53.6	+10.3	1998	4	1034	1207
1990	59.0	+10.2	1999	4	989	1130
1991	65.7	+11.6	2000	4	844	1020
1992	72.0	+9.6	2001	1	862	990
1993	78.3	+8.8		2	842	960
1994	85.2	+8.8		3	807	945
1995	92.9	+9.1		4	721	935
1996	98.8	+6.3	2002	1	687	915
1997	104.5	+5.8		2	742	890
1998	107.5	+2.8		3	692	875
1999	103.2	-4.0		4	733	840
2000	99.4	-3.8	2003	1	720	855
2001	97.8	-1.6		2	723	878
2002	94.8	-3.0		3	722	895
2003	92.4	-2.6		4		895

10 year average (1994-2003): +1.8

20 year average (1984-2003): +4.9

CPI Source: Census and Statistics Department

http://www.info.gov.hk/censtatd/eng/hkstat/fas/cpi/cpi_std_index.html

TPI Source: Davis Langdon & Seah International, Current Building Cost Information Data in Hong Kong, 4th Quarter 2003, page 2.

29. Interest Trends

For WKCD, Assume: 8.0% per annum

Yearly average of
Best lending rates quoted by
The Hongkong and Shanghai Banking Corporation Limited.

Year	percent per annum	
1984	12.50	
1985	8.18	
1986	7.06	
1987	6.59	
1988	7.89	
1989	10.54	
1990	10.46	
1991	9.41	
1992	7.33	
1993	6.50	
1994	7.26	
1995	8.95	
1996	8.52	
1997	8.83	
1998	9.94	
1999	8.50	
2000	9.22	
2001	7.00	
2002	5.11	
2003	5.00	
10-year average (1994-2003)		7.83
20-year average (1984-2003)		8.24
2004	Jan	5.00
2004	Feb	5.00

Source: Computed from statistics provided by the Hong Kong Monetary Authority
<http://www.info.gov.hk/hkma/eng/statistics/msb/attach/T060402.xls>

V. Appendices

V. Appendices

A) Hong Kong Venues Data

Appendix 1. Hong Kong Cultural Centre

Source: Leisure and Cultural Services Department (LCSD)

Construction Year (Opening Year)	1989
Construction Cost	HK\$ 1,393.96M (as costed in 2002)
Scheduled Maintenance Cost since 2000	2000/01: HK\$5.53M 2001/02: HK\$8.65M 2002/03: HK\$7.8M
Cost for Last Major Renovation Work	2002/03: toilet-HK\$1.5M
Gross Floor Area (m ²)	82,231 m ²
Venue :	Seating Capacity :
Concert Hall	2,019
Grand Theatre	1,734
Studio Theatre	534
Tickets Issued	N/A
Tickets Price Range	N/A
Attendance	613,684

Revenue 2002/03	Amount
Hiring	HK\$ 55,746,000
Other Revenue	HK\$ 25,237,000
<u>Total</u>	<u>HK\$ 80,983,000</u>
Expenditure 2002/03	Amount
Salaries	HK\$ 26,802,279
Operating Costs	HK\$ 37,281,659
Electricity, Cleaning and Security	HK\$ 19,739,311
<u>Total</u>	<u>HK\$ 83,823,249</u>

Appendix 2. Hong Kong City Hall

Source: LCSD

Construction Year (Opening Year)	1962 (opened)
Construction Cost	
Scheduled Maintenance Cost since 2000	2000/01: HK\$1.05M 2001/02: HK\$3.78M 2002/03: HK\$0.6M
Cost for Last Major Renovation Work	2002/03: Toilet-HK\$4.82M Exhibition Hall-HK\$11M Catering Outlets-HK\$9.02M Miscellaneous-HK\$4M
Gross Floor Area (m ²)	11,000m ²
Venue :	Seating Capacity :
Concert Hall	1,448
Theatre	463
Tickets Issued	N/A
Tickets Price Range	N/A
Attendance	363, 595

Revenue 2002/2003	Amount
Hiring	HK\$ 18,107,928
Other Revenue	HK\$ 9,117,195
<u>Total</u>	<u>HK\$ 27,225,123</u>
Expenditure 2002/2003	Amount
Salaries	HK\$ 14,817,376
Operating Costs	HK\$ 21,953,451
Electricity, Cleaning and Security	HK\$ 8,949,242
<u>Total</u>	<u>HK\$ 45,720,069</u>

Appendix 3. Hong Kong Coliseum

Source: LCSD

Construction Year (Opening Year)	1983
Construction Cost	HK\$175M (as costed in 1983)
Scheduled Maintenance Cost since 2000	2000/01: HK\$0.62M 2001/02: HK\$1.85M 2002/03: HK\$7.51M
Cost for Last Major Renovation Work	1999/2000: External painting-HK\$3.2M
Gross Floor Area (m ²)	10, 000m ²
Venue : Arena	Seating Capacity : 12, 500
Tickets Issued	N/A
Tickets Price Range	N/A
Attendance	1, 633, 193

Revenue 2002/2003	Amount
Hiring	HK\$ 86,837,724
Other Revenue	HK\$ 7,629,948
<u>Total</u>	<u>HK\$ 94,467,672</u>
Expenditure 2002/2003	Amount
Salaries	HK\$ 18, 968, 456
Operating Costs	HK\$ 17, 625, 851
Electricity, Cleaning and Security	HK\$ 7, 677, 021
Publicity	HK\$ 124, 510
Promotional Activities	HK\$ 0
<u>Total</u>	<u>HK\$ 44, 395, 838</u>

Appendix 4. Sha Tin Town Hall

Source: LCSD

Construction Year (Opening Year)	1987
Construction Cost	HK\$346.83M (as costed in 2002)
Scheduled Maintenance Cost since 2000	2000/01: N.A. 2001/02: \$4.2M 2002/03: \$5.4M
Cost for Last Major Renovation Work	2001/02: External walls-HK\$36.3M
Gross Floor Area (m ²)	33,270m ²
Venue :	Seating Capacity :
Auditorium	1,376
Cultural Activities Hall	300
Tickets Issued	N/A
Tickets Price Range	N/A
Attendance	317,506

Revenue 2002/2003	Amount
Hiring	HK\$ 15,011,714
Other Revenue	HK\$ 10,154,210
<u>Total</u>	<u>HK\$ 25,165,924</u>
Expenditure 2002/2003	Amount
Salaries	HK\$ 11,964,019
Operating Costs	HK\$ 17,400,985
Electricity, Cleaning and Security	HK\$ 7,544,282
Publicity	HK\$ 477,667
Promotional Activities	HK\$ 147,500
<u>Total</u>	<u>HK\$ 37,534,453</u>

Appendix 5. Hong Kong Museum of Art

Source: LCSD

Construction Year (Opening Year)	1991
Construction Cost	HK\$235M (as costed in 1991, more updated costing not available)
Scheduled Maintenance Cost since 2000	2000/01: HK\$2M 2001/02: HK\$5.06M 2002/03: HK\$2.11M
Cost for Last Major Renovation Work	2001/02: Chinese Antiquities Gallery II-HK\$4.9M
Gross Floor Area (m ²)	17, 500m ²
Attendance	283,123
Estimated Value of Collections as at 1 April, 2000	HK\$1,031M
2000/01 Acquisition Expenditure	HK\$9M
Loan Exhibition Cost	HK\$6M
2001/02 Acquisition Expenditure	HK\$5M
Loan Exhibition Cost	HK\$14M
2002/03 Acquisition Expenditure	HK\$4M
Loan Exhibition Cost	HK\$8M
The Most Outstanding Exhibition of the Museum since 2000	Alberto Giacometti 3 May-1 July, 2002 Special Exhibition Gallery 1 (1000 m ²) Cost: HK\$4.4M
Revenue 2002/2003	Amount
Admission and Hiring	HK\$ 1,130,000
Other Revenue	HK\$ 2,010,000
<u>Total</u>	<u>HK\$ 3,140,000</u>
Expenditure 2002/2003	Amount
Salaries	HK\$ 21,520,000
Operating Costs	HK\$ 17,178,000
Electricity, Cleaning and Security	HK\$ 9,659,000
Publicity	HK\$ 3,393,000
Artefacts and Exhibitions	HK\$ 11,933,000
<u>Total</u>	<u>HK\$ 63,683,000</u>

Appendix 6. Hong Kong Museum of History

Source: LCSD

Construction Year (Opening Year)	2001
Construction Cost	HK\$591.61M (as costed in 2003)
Scheduled Maintenance Cost since 2000	2000/01: HK\$ 0.38M 2001/02: HK\$ 2.64M 2002/03: HK\$ 0.85M
Cost for Last Major Renovation Work	Nil
Gross Floor Area (m ²)	17, 500m ²
Venue :	Seating Capacity :
N.A.	N.A.
Tickets Issued	N/A
Tickets Price Range	N/A
Attendance	990,997

Revenue 2002/2003	Amount
Admission and Hiring	HK\$ 3,917,000
Other Revenue	HK\$ 762,000
<u>Total</u>	<u>HK\$ 4,679,000</u>
Expenditure 2002/2003	Amount
Salaries	HK\$ 22, 054, 000
Operating Costs	HK\$ 16, 158, 000
Electricity, Cleaning and Security	HK\$ 16, 289, 000
Publicity	HK\$ 4, 766, 000
Artefacts and Exhibitions	HK\$ 5, 851, 000
<u>Total</u>	<u>HK\$ 65,118,000</u>

Appendix 7. Hong Kong Museum of Coastal Defense

Source: LCSD

Construction Year (Opening Year)	2000
Construction Cost	HK\$314.71M (as costed in 2002)
Scheduled Maintenance Cost since 2000	2000/01: HK\$ N.A. 2001/02: HK\$ N.A. 2002/03: HK\$ 0.27M
Cost for Last Major Renovation Work	2002/03: Venue painting and external walls improvement- HK\$1.1M
Gross Floor Area (m ²)	34,200 (平面面積)
Venue :	Seating Capacity :
N.A.	N.A.
Tickets Issued	N/A
Tickets Price Range	N/A
Attendance	305,687

Revenue 2002/2003	Amount
Admission and Hiring	HK\$ 817,000
Other Revenue	HK\$ 250,000
<u>Total</u>	<u>HK\$ 1,067,000</u>
Expenditure 2002/2003	Amount
Salaries	HK\$ 1,830,000
Operating Costs	HK\$ 5,236,000
Electricity, Cleaning and Security	HK\$ 8,080,000
Publicity	HK\$ 447,000
Artefacts and Exhibitions	HK\$ 425,000
<u>Total</u>	<u>HK\$ 16,018,000</u>

Hong Kong Museum of History and Hong Kong Museum of Coastal Defense

Estimated Value of Collections as at 1 April, 2000	Not Available (Note 1)
2000/01	
Acquisition Expenditure	HK\$0.36M
Loan Exhibition Cost	Nil
2001/02	
Acquisition Expenditure	HK\$1.65M
Loan Exhibition Cost	HK\$3.35M

Hong Kong Museum of History and Hong Kong Museum of Coastal Defense (cont'd)

2002/03	
Acquisition Expenditure	HK\$0.37M
Loan Exhibition Cost	HK\$4.58M
The Most Outstanding Exhibition of the Museum since 2000	War and Peace: treasures of the Qin and Han Dynasties Exhibition (戰爭與和平－秦漢文物精華展) 27 Nov, 2002-17 Mar, 2003 Special Exhibition Gallery (1,000 m ²) Cost HK\$4.6M

Note 1- Many of the Museums collections, though high in historical value, do not necessarily generate a market value.

Appendix 8. Hong Kong Film Archive

Source: LCSD

Construction Year (Opening Year)	2001
Construction Cost	HK\$185M (as costed in 2001)
Scheduled Maintenance Cost since 2000	2000/01: N.A. 2001/02: HK\$10,000 2002/03: HK\$40,000
Cost for Last Major Renovation Work	Nil
Gross Floor Area (m ²)	7, 200m ²
Attendance	193,000
2000/01	
Acquisition Expenditure	HK\$1.27M
Loan Exhibition Cost	Nil
2001/02	
Acquisition Expenditure	HK\$0.50M
Loan Exhibition Cost	HK\$0.03M
2002/03	
Acquisition Expenditure	HK\$0.34M
Loan Exhibition Cost	HK\$0.04M
The Most Outstanding Exhibition of the Museum since 2000	Exhibition: Hong Kong On the Silver Screen 光影中的香港 4 Jan -4 Feb, 2001 Gallery (200 m ²) Cost: HK\$0.85M
Revenue 2002/03	Amount
Admission and Hiring	HK\$ 20,000
Other Revenue	HK\$ 588,000
<u>Total</u>	<u>HK\$ 608,000</u>
Expenditure 2002/03	Amount
Salaries	HK\$ 8,508,000
Operating Costs	HK\$ 28,160,000
Electricity, Cleaning and Security	HK\$ 5,937,000
Publicity	HK\$ 1,789,000
Artefacts and Exhibitions	HK\$ 2,664,000
<u>Total</u>	<u>HK\$ 47,058,000</u>

Note 1- Many of the Museums collections, though high in historical value, do not necessarily generate a market value.

Appendix 9. Hong Kong Heritage Museum

Source: LCSD

Construction Year (Opening Year)	2000
Construction Cost	HK\$818.82M (as costed in 2000)
Scheduled Maintenance Cost since 2000	2000/01: HK\$ 5M 2001/02: HK\$ 0.9M 2002/03: HK\$ 1.2M
Cost for Last Major Renovation Work	2003/04: Entrances-HK\$0.42M
Gross Floor Area (m ²)	32, 000m ²
Attendance	688,852
2000/01 Acquisition Expenditure	HK\$0.35M
Loan Exhibition Cost	Nil
2001/02 Acquisition Expenditure	HK\$0.37M
Loan Exhibition Cost	HK\$1.1M (Note 1)
2002/03 Acquisition Expenditure	HK\$0.45M
Loan Exhibition Cost	HK\$3.5M (Note 1)
The Most Outstanding Exhibition of the Museum since 2000	Mapping Asia- The 18 th Asian International Art Exhibition 亞洲拼圖－第十八屆亞洲國際美術展覽會 10 Dec, 2003-8 Mar, 2004 Exhibition Gallery (1,400 m ²) Cost: HK\$1.6M
Revenue 2002/03	Amount
Admission and Hiring	HK\$ 1,408,000
Other Revenue	HK\$ 1,224,000
<u>Total</u>	<u>HK\$ 2,632,000</u>
Expenditure 2002/03	Amount
Salaries	HK\$ 23,933,000
Operating Costs	HK\$ 34,945,000
Electricity, Cleaning and Security	HK\$ 18,652,000
Publicity	HK\$ 2,651,000
Artefacts and Exhibitions	HK\$ 7,237,000
<u>Total</u>	<u>HK\$ 87,418,000</u>

Note 1- The loan exhibition cost includes loan fees and all other expenses related to the displays.

Appendix 10. LCSD's Indoor and Outdoor Free Programmes

Source: LCSD

Festivals Office

1.	<p>Event: Make Friends with Puppet's (花肚兜)</p> <p>Date: 12 Jul 2003 – 23 Aug 2003 within 2:00pm to 5:00 pm</p> <p>Venue: Hong Kong Cultural Centre Foyer (2 perfs.), Shatin Town Hall Foyer (2 perfs.), Yeun Long Theatre Foyer (1 perf.)</p> <p>Programme: Puppet Tour Journey</p> <p>Expenditure: \$28,750 (\$5,750/perf)</p> <p>Attendance: 1,450 (HKCC-600, STTH-600, YLT-250)</p>
2.	<p>Event: Hong Kong Children Musical Theatre's 30 mins San Guo Zhi</p> <p>Date: 18 Jul 2003 – 16 Aug 2003 within 2:00pm - 6:00 pm</p> <p>Venue: Hong Kong Cultural Centre Foyer (7 perfs.), Shatin Town Hall Foyer (4 perfs.), Yuen Long Theatre Foyer (2 perfs.), Kwai Tsing Theatre Foyer (2 perfs.), Tsuen Wan Town Hall Foyer (2 perfs.) and Tuen Mun Town Hall Foyer (2 perfs.)</p> <p>Programme: Puppet Show & Story Telling</p> <p>Expenditure: \$42,997(\$2,263/perf)</p> <p>Attendance: 3,030 (HKCC-1,761, STTH-558, YLT-239, KTT-168, TWTH-194, TMTH-110)</p>
3.	<p>Event: Graphic Design Competition Exhibition & My Visual Diary Photography Exhibition</p> <p>Date: 15 Jul 2003 – 4 Aug 2003 & 11-24 Aug 2003 (Graphic Design) and 17-31 Aug 2003 (Photography Exhibition) during the opening hours of venues</p> <p>Venue: HKCC Foyer and Kwai Tsing Theatre Exhibition Gallery for Graphic Design, and Hong Kong Cultural Centre Foyer for Photography Exhibition</p> <p>Programme: Exhibition</p> <p>Expenditure: \$39,400 for both exhibitions</p> <p>Attendance: 57,650 (HKCC-31,500, KTT-3,650, HKCC-22,500)</p>
4.	<p>Event: Theatre Ensemble's "Belle the Witch Stage Tour"</p> <p>Date: 29 July – 1 Aug 2003</p> <p>Venue: Hong Kong Cultural Centre Studio Theatre</p> <p>Programme: Sage Tour</p> <p>Expenditure: \$0 (covered by the Stage Performance Contract)</p> <p>Attendance: 154</p>

5.	<p>Event: Cultural Tour</p> <p>Date: 11 & 19 Aug 2003</p> <p>Venue: Hong Kong Cultural Centre and Museum of Art</p> <p>Programme: introduction about the two venues</p> <p>Expenditure: \$0 (absorbed by offices)</p> <p>Attendance: 69</p>
6.	<p>Event: 2003 Summer Fun Carnival – an outdoor programme in support to “International Arts Carnival”</p> <p>Date: 20 Jul 2003 from 2:30 pm to 5:30 pm</p> <p>Venue: Shatin Town Hall Podium and Plaza</p> <p>Programme: Puppet and Muppet Show, workshops and craft stalls</p> <p>Expenditure: \$150,000</p> <p>Attendance: 10,000</p>
7.	<p>Event: 金烏藏嬌 Set Exhibition</p> <p>Date: 14-20 Oct 2003 during the opening hours of the venue</p> <p>Venue: Hong Kong Cultural Centre Foyer</p> <p>Programme: Exhibition</p> <p>Expenditure: \$0 (Covered by the Stage Performance Contract)</p> <p>Attendance: 3,500</p>
8.	<p>Event: 再見白先勇</p> <p>Date: 8 (2:00 pm) & 10 (8:00 pm) Nov 2003</p> <p>Venue: Hong Kong City Hall Recital Hall and Hong Kong Cultural Centre Studio Theatre</p> <p>Programme: Talks, discussions, performances</p> <p>Expenditure: \$20,000</p> <p>Attendance: 400 (HKCH-100, HKCC-300)</p>
9.	<p>Event: 香港中樂團-鼓王群英會戶外音樂會</p> <p>Date: 1 Nov 2003 from 2:00 pm to 5:00 pm</p> <p>Venue: Hong Kong Cultural Centre Piazza</p> <p>Programme: Concert and drumming performances</p> <p>Expenditure: \$69,500</p> <p>Attendance: 4,000</p>

Appendix 10. LCSD's Indoor and Outdoor Free Programmes (cont'd)

Entertainment Office

1.	Event: 2004 Spring Spectacular Lantern Display: Glowing Legend -- Lantern Romances Date: 20-21 Feb. 2004 (Fri & Sat) from 6:30pm to 9:15pm Venue: Hong Kong Cultural Centre Piazza A, B & C Programme: Environmental Dance by the dancers of CCDC Dance Theatre and Hong Kong Academy for Performing Arts Expenditure: \$410,000 Attendance: 15,000
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Cultural Presentations Office

1.	Event: Cantonese Opera Day Date: 30 Nov 2003 (Sun) from 12:30 pm - 6:00pm Venue: Hong Kong Cultural Centre Foyers and Piazza Programme: Parade, stage performances at 3 locations throughout the period, games stalls and exhibition Expenditure: \$900,000 Attendance: 30,000
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Appendix 11. Hong Kong Arts Centre

Source: Hong Kong Arts Centre

Construction Year (Opening Year)	1977
Construction Cost	-
Gross Floor Area (m ²)	Total: 4400.6 m ² (47,368 sq. ft.) Shouson Theatre: 2019.9m ² (21,742 sq. ft.) Agnes b. Cinema: 795.2 m ² (8,559 sq. ft.) McAulay Studio: 663.6 m ² (7,143 sq. ft.) Gallery: 922 m ² (9,924 sq. ft.)
Net Area (m ²)	Total: 2925.7 m ² (31,492 sq. ft.) Shouson Theatre: 1385.1m ² (14,909 sq. ft.) Agnes b. Cinema: 448.9 m ² (4,832 sq. ft.) McAulay Studio: 383.8m ² (4,131 sq. ft.) Gallery: 707.9 m ² (7,620 sq. ft.)
Venue :	Seating Capacity :
Shouson Theatre	439 or 425(for film screening)
Agnes b. Cinema	193
McAulay Studio	76
Total	708
Tickets Issued (Mar 2003-Feb 2004)	
Shouson Theatre	38,608
Agnes b. Cinema	29,054
McAulay Studio	8,861
Gallery	N/A
Tickets Price Range (Mar 2003-Feb 2004)	
Shouson Theatre	HK\$450-\$50
Agnes b. Cinema	HK\$140-\$20
McAulay Studio	HK\$190-\$30
Gallery	N/A
Box Income (Mar 2003-Feb 2004)	
Shouson Theatre	HK\$ 2,728,990
Agnes b. Cinema	HK\$ 941,649
McAulay Studio	HK\$ 575,373
Gallery	N/A
Attendance	500,000

Appendix 12 . Hong Kong Academy for Performing Arts (APA)

Source: APA's Website and Annual Report 2002/2003

Construction Year (Opening Year)	1985
Construction Cost	The Hong Kong Jockey Club donated HK\$300 million to cover the construction costs at the inception of the institution.
Scheduled Maintenance Cost	N/A
Cost for Last Major Renovation Work	N/A
Gross Floor Area (m ²)	N/A
Venue :	Seating Capacity :
Lyric Theatre	1,181
Drama Theatre	415
Concert Hall	382
Recital Hall	202
Studio Theatre	240
Dance Studio 1	120
Tickets Issued	N/A
Tickets Price Range	N/A
Attendance	(2002/03) 149,866 (2001/02) 157,455

Appendix 12. Hong Kong Academy for Performing Arts (Cont'd)

<u>Income 2002/03</u> (for the year ended 30 June, 2003)	2003 HK\$	2002 HK\$
Government grants	\$175,576,000	\$177,121,000
Tuition and application fees	\$34,354,419	\$36,125,439
Interest	\$657,480	\$959,696
Donations and sponsorship	\$147,878	\$1,114,326
Miscellaneous	\$328,781	\$236,620
Total	\$ 211,064,558	\$ 215,557,081
<u>Expenditure 2002/03</u>		
Personal emoluments	\$158,863,851	\$165,320,228
Maintenance of premises	\$15,409,235	\$15,166,483
Venue hiring	\$14,596,826	\$16,672,196
Minor capital items	\$5,495,907	\$6,277,486
Store and equipment	\$3,362,546	\$2,942,989
Projects	\$3,116,063	\$3,227,027
Production	\$3,002,579	\$4,433,329
Library books and materials	\$2,031,428	\$2,000,110
Recruitment and overseas visits	\$1,718,228	\$626,076
Publicity	\$995,042	\$1,099,503
Staff training courses	\$668,102	\$658,398
Insurance	\$664,658	\$590,067
Telephone and postage	\$447,951	\$480,224
Legal fees	\$295,320	\$209,097
External assessors	\$274,273	\$424,824
Transport and traveling	\$210,011	\$170,792
Incidental	\$196,204	\$193,726
Auditors' remuneration	\$116,685	\$114,770
Entertainment	\$100,935	\$123,410
	\$211,565,844	\$220,730,735
Cash recharged to venue management account	(\$9,078,332)	(\$9,359,022)
Total	<u>\$202,487,512</u>	<u>\$211,371,713</u>
Surplus of the year	\$8,577,046	\$4,185,368
Balance brought forward transfer from/ (to):		
Venue management fund	\$5,518,880	\$7,313,174
Government reserve fund	(\$14,102,541)	(\$11,498,542)
Part-time courses fund	\$6,165	-
Balance carried forward	-	-

Appendix 12. Hong Kong Academy for Performing Arts (Cont'd)

Venue Management Account

<u>Income 2002/03</u> (for the year ended 30 June, 2003)	2003 HK\$	2002 HK\$
Hiring		
The Academy	\$15,419,522	\$17,407,012
Outsiders	\$10,525,762	\$10,703,674
Box Office commission	\$2,202,035	\$2,085,407
Interest	\$95,367	\$373,859
Donation and sponsorship	-	\$40,000
Miscellaneous	<u>\$72,583</u>	<u>\$61,344</u>
	<u>\$28,315,269</u>	<u>\$30,671,296</u>
<u>Expenditure</u>		
Personal emoluments	\$14,875,630	\$15,100,319
Electricity	\$2,770,827	\$2,767,066
Ticketing	\$1,599,166	\$1,404,434
Repairs and maintenance	\$939,394	\$910,966
Rates	\$492,893	\$528,167
Capital items written off	\$302,236	\$246,809
Cleaning	\$164,909	\$159,222
Insurance	\$164,212	\$145,674
General administration	\$161,360	\$209,483
Technical	\$123,001	\$168,853
Publicity	\$103,962	\$143,731
Staff training courses	\$44,731	\$63,310
Incidental	\$17,056	\$90,633
Legal fees	<u>-</u>	<u>\$35,300</u>
	<u>\$21,759,377</u>	<u>\$21,973,967</u>
Surplus of the year	\$6,555,892	\$8,697,329
Balance brought forward	\$3,948,453	\$4,020,238
Transfer (to)/ from:		
Accumulated fund	(\$5,518,880)	(\$7,313,174)
Part-time courses fund	(\$822,311)	(\$734,816)
Special funds	(\$200,000)	(\$382,274)
Development fund	<u>\$168,784</u>	<u>(\$338,850)</u>
Balance carried forward	<u>\$4,131,938</u>	<u>\$3,948,453</u>

**Appendix 13. University Museum and Art Gallery,
The University of Hong Kong**

Source: University Museum and Art Gallery

Construction Year (Opening Year)	Founded in 1953 The museum is housed in the Fung Ping Shan Building (completed in 1932), and the lower three floors of the T.T. Tsui Building (completed in 1996)
Construction Cost	N.A.
Scheduled Maintenance Cost	N.A.
Cost for Last Major Renovation Work	N.A.
Gross Floor Area (m ²)	2,000 m ²
Number of Collections	1,500 items of Chinese artefacts
Tickets Issued	N/A
Tickets Price Range	N/A
Attendance (2002/2003)	40,000

Income 2002/2003	Amount
Allocation from HKU (1 July 2002-30 June 2003) (an one-line budget annually)	HK\$ 6,420,000
Expenditure 2002/2003	Amount
Exhibitions, Publications and General Expenditure	HK\$ 2,000,000

Income 2003/2004	Amount
Allocation from HKU (an one-line budget annually)	HK\$ 6,140,000
Expenditure 2003/2004	Amount
Salaries (17 full-time staff)	HK\$ 6,200,000
Exhibitions and Publications	HK\$ 1,000,000
Water and Electricity Charges	Paid by HKU's Finance Office

B. Overseas Venues

Appendix 14. Broadway Theatres

Source: Broadway's Economic Contribution to New York City, 2000-2001 season

Year	Total Paid Attendance	Cumulative Box Office Gross (US\$)	Playing Weeks	Operating Costs (US\$ millions)
2003	11,112,436	US\$725,462,411	1,459	-
2002	11,406,505	US\$707,050,303	1,511	-
2000-01	-	-	1,484	US\$456.3
1993	7,642,505	US\$333,316,961	981	-

Broadway's Economic Impact

Broadway Spending	Million \$ (US\$)
Visitor Spending	\$ 2842.95
Show Expenses	\$ 1537.24
Theatre Expenses	\$ 38.44
TOTAL	\$ 4418.63

(All figures in millions of FY 2001 dollars)

Audience Spending

Broadway Attendances

	Number of tickets sold
1984-85	7,342,365
1985-86	6,530,215
1986-87	7,067,693
1987-88	8,134,233
1988-89	8,054,486
1989-90	8,040,400
1990-91	7,321,595
1991-92	7,379,506
1992-93	7,856,793
1993-94	8,110,823
1994-95	9,038,977
1995-96	9,464,467
1996-97	10,569,907
1997-98	11,477,255
1998-99	11,665,684
1999-2000	11,390,084
2000-2001	11,895,528

Appendix 14. Broadway Theatres (cont'd)

Show Expenditures

Production Expenses

	1996-1997		1998-1999		2000-2001	
	Production Costs (million \$)	New Shows	Production Costs (million \$)	New Shows	Production Costs (million \$)	New Shows
Plays	\$16.5	19	\$24.4	19	\$25.9	16 ¹
Musicals	\$61.6	11	\$64.6	15	\$85.1	11 ²
Specials	\$4.5	6	\$1.4	5	\$0.25	1
TOTAL	\$82.6	36	\$90.4	39	\$111.3	28

(All figures in millions of FY 2001 dollars)

- Production costs for plays ranged from US\$550,000 to US\$3 million, averaging \$1.6 million.
- The production costs for musicals ranged from US\$3 million to US\$12 million, averaging \$7.7 million.

Sample Breakdown of Production Expenses for Plays vs. Musicals

	Play	Musical
Physical ³	21 %	29 %
Labor	31 %	29 %
Rehearsal	2 %	6 %
Advertising/ Publicity	23 %	18 %
General & Administrative ⁴	11 %	9 %
Contingency ⁵	9 %	7 %
Theatre	3 %	2 %

¹ 11 shows, commercial productions; 5 shows, not-for-profit

² 10 were commercial, 1 was not-for-profit

³ Physical Rentals includes: Props, Electrics, Sound

⁴ General and Administrative includes: Manager Office Fee, Insurance, Legal, Office Expense, Accounting

⁵ Theatre includes: Rent, House Expenses

Appendix 14. Broadway Theatres (cont'd)

Operating Expenses

	1996-1997		1998-1999		2000-2001	
	Operating Costs (million \$)	Playing Weeks	Operating Costs (million \$)	Playing Weeks	Operating Costs (million \$)	Playing Weeks
Plays	\$57.0	437	\$68.3	387	\$75.5	382 ⁶
Musicals	\$390.3	886	\$448.4	1035	\$470.3	1092 ⁷
Specials	\$3.0	22	\$2.8	19	\$0.5	10
TOTAL	\$450.3	1345	\$519.5	1441	\$546.3	1484

(All figures in millions of FY 2001 dollars)

- The average weekly expenditure for a play: US\$ 200,000 (approx.)
- The average weekly expenditure for a musical: US\$ 425,000 (approx.)

Sample Breakdown of Weekly Operating Expenses for Plays vs. Musicals

	Play	Musical
Physical Rentals ⁸	5 %	8 %
Salaries	43 %	50 %
Royalties	13 %	14 %
Advertising/ Publicity	16 %	13 %
General & Administrative ⁹	12 %	5 %
Theatre ¹⁰	12 %	10 %

⁶ 300 were commercial weeks; 62 weeks, non-profit; 20 weeks, special contracts (solo shows or other attractions)

⁷ 62 weeks, non-profit; 8 weeks, special contracts

⁸ Physical Rentals includes: Props, Electrics, Sound

⁹ General and Administrative includes: Manager Office Fee, Insurance, Legal, Office Expense, Accounting

¹⁰ Theatre includes: Rent, House Expenses

Appendix 14. Broadway Theatres (cont'd)

Summary of Direct Expenditures of Broadway Shows

	1991-1992	1996-1997	1998-1999	2000-2001
New Productions	39	37	39	28
Playing Weeks	905	1347	1441	1484
Production Costs (millions)	US\$72.6	US\$82.6	US\$90.4	US\$111.3
Operating Costs (millions)	US\$316.7	US\$450.3	US\$519.5	US\$546.3
TOTAL EXPENDITURES	US\$389.2	US\$533.0	US\$609.9	US\$657.6

(All figures in millions of FY 2001 dollars)

Direct and Indirect Impact of Broadway Shows

	1991-1992	1996-1997	1998-1999	2000-2001
Broadway companies paid out ¹¹	US\$389.2	US\$533.0	US\$609.9	US\$657.6
The re-spending of individuals and businesses ¹²	US\$331.0	US\$455.1	US\$793.5	US\$879.6

(All figures in millions of FY 2001 dollars)

¹¹ They paid out to actors, theatre technicians, designers, musicians, scenery shops, lighting rental companies, advertising firms, law firms, office rent, supplies, etc.

¹² The individuals and businesses re-spent money for their expenses.

Appendix 14. Broadway Theatres (cont'd)

Theatre Expenditures

Direct and Indirect Impact of Physical Expenditures

	1996-1997	1998-1999	2000-2001
Money spent on Physical Improvements to Theatres	US\$79.2	US\$21.2	US\$27.0
The re-spending of theatre owners' direct expenditures by industries ¹³	US\$36.8	US\$9.4	US\$11.4

(All figures in millions of FY 2001 dollars)

Inherent Contributions

- ※ Generates US\$ 139 million in City Tax Revenues
- ※ Supports 40,000 jobs in New York City

Broadway's Full Impact on New York City's Economy

Economic Contribution	Broadway Shows	Physical Improvements to Theatres	Broadway-Related Visitor Spending	TOTAL
Direct Expenses	\$657.60	\$27.0	\$1,949.39	\$2,633.99
Indirect Impact	\$879.64	\$11.44	\$893.56	\$1,784.64
TOTAL	\$1,537.24	\$38.44	\$2,842.95	\$4,418.63

(All figures in millions of FY 2001 dollars)

¹³ The industries include construction, architecture, electrical, plumbing, etc.

Broadway- 39 Broadway Theatres in New York

Source: LiveBroadway.Com (<http://www.livebroadway.com>)

<u>Theatre</u>	<u>No.of seats</u>	<u>Run by</u>	<u>Address</u>
Al Hirschfeld	1437	Jujamcyn Theaters	302 W. 45th Street
Ambassador	1125	Shubert Organization	219 W. 49th Street
American Airlines	740	Roundabout Theatre Co.	227 W. 42nd Street
Belasco	1018	Shubert Organization	111 W. 44th Street
Blitmore	650	Manhattan Theatre Club	261 West 47th Street
Booth	785	Shubert Organization	222 W. 45th Street
Broadhurst	1186	Shubert Organization	235 W. 44th Street
Broadway	1752	Shubert Organization	Broadway at 53rd Street
Brooks Atkinson	1044	Nederlander Organization	256 W. 47th Street
Cadillac Winter Garden	1513	Shubert Organization	1634 Broadway
Circle in the Square	623	N.A.	1633 Broadway
Cort	1084	Shubert Organization	138 W. 48th Street
Ethel Barrymore	1096	Shubert Organization	243 W. 47th Street
Eugene O'Neill	1108	Jujamcyn Theaters	230 W. 49th Street
Ford Center for the Performing Arts	1813	Clear Channel	213 W. 42nd Street
Gershwin	1933	Nederlander Organization	222 W. 51st Street
Helen Hayes	597	N.A.	240 W. 44th Street
Henry Miller's	630	closed in 2004	124 W. 43rd Street
Imperial	1421	Shubert Organization	249 W. 45th Street
John Golden	805	Shubert Organization	252 W. 45th Street
Longacre	1096	Shubert Organization	220 W. 48th Street
Lunt-Fontanne	1475	Nederlander Organization	205 W. 46th Street
Lyceum	924	Shubert Organization	149 W. 45th Street
Majestic	1655	Shubert Organization	247 W. 44th Street
Marquis	1604	Nederlander Organization	1535 Broadway
Minskoff	1710	Nederlander Organization	200 W. 45th Street
Music Box	1010	Shubert Organization and the estate of Irving Berlin	239 W. 45th Street
Nederlander	1203	Nederlander Organization	208 W. 41st Street
Neil Simon	1297	Nederlander Organization	250 W. 52nd Street
New Amsterdam	1747	Disney	214 W. 42nd Street
Palace	1784	Nederlander Organization	1564 Broadway

Plymouth	1079	Shubert Organization	236 W. 45th Street
Richard Rodgers	1368	Nederlander Organization	226 W. 46th Street
Royale	1078	Shubert Organization	242 W. 45th Street
Shubert	1521	Shubert Organization	225 W. 44th Street
St.James	1623	Jujamcyn Theaters	246 W. 44th Street
Studio 54	920	Roundabout Theatre Co.	254 W. 54th Street
Virginia	1275	Jujamcyn Theaters	245 W. 52nd Street
Vivian Beaumont	1080	Lincoln Center Theater	150 W. 65th Street
Walter Kerr	947	Jujamcyn Theaters	219 W. 48th Street

Appendix 15. Really Useful Theatres (London)

Sources: Seetickets (www.seetickets.com),
London Theatre Guide (www.londontheatre.co.uk), www.thisistheatre.com

Name of Theatres (opened)	Details
Adelphi Theatre (3 Dec, 1930)	Address: The Strand, London, WC2E 7NA Showing: Chicago The Musical Seat prices: £40.00-£22.50 No. of seats (approx.): 1,500 Ticket type (face value): Stalls (£40.00) Show Times (for reference only): Mon-Thurs 8pm, Fri at 5pm & 8.30pm, Sat 3pm&8pm
Apollo Theatre (21 Feb, 1901)	Address: Shaftesbury Ave, London, W1V 7HD Showing: The goat, or who is Sylvia? Seat prices: £37.50-£20.00 No. of seats (approx.): 780 Ticket type (face value): Stalls/Dress Circle (£37.50); Stalls (£35.00); Upper Circle (£27.50); Balcony (£20.00) Show Times (for reference only): Mon-Thurs 8pm, Fri at 5pm & 8.30pm, Sat 3pm&8pm
Cambridge Theatre (4 Sep, 1930)	Address: Earlham Street, Covent Garden, London, WC2H 9HU Showing: Jerry Springer - The Opera Seat prices: £50.00-£25.00 No. of seats (approx.): 1,297 Ticket type (face value): Stalls/Dress Circle (£50.00); Upper Circle (£35.00); £25 seats if you're 25 or under (£25.00) Show Times (for reference only): Mon to Thurs at 7.45pm, Friday at 5.30pm and 8.30pm, Sat at 3pm and 8pm
Duchess Theatre (25 Nov, 1929)	Address: Catherine Street, London, WC2B 5LA Showing: George Gershwin Alone Seat prices: £32.50-£16.00 No. of seats (approx.): 510 Ticket type (face value): Stalls (£32.50); Stalls (£28.50); Dress Circle (£16.00) Show Times (for reference only): Tues - Sat 7.30pm, Thurs, Sat, Sun at 3pm

Appendix 15. Really Useful Theatres (London) (cont'd)

Name of Theatres (opened)	Details
Garrick Theatre (24 Apr, 1889)	Address: Charing Cross Road, London, WC2H 0HH Showing: Oleanna Seat prices: £35.00-£22.50 No. of seats (approx.): 718 Ticket type (face value): Stalls/Dress Circle (£35.00); Stalls (£33.50); Stalls (£29.50); Upper Circle (£22.50) Show Times (for reference only): Mon-Sat 7.45pm, Wed & Sat at 3pm
Gielgud Theatre (27 Dec, 1906)	Address: Shaftesbury Avenue, London, W1V 7HB Showing: All's Well That Ends Well Seat prices: £40.00-£22.50 No. of seats (approx.): 889 Ticket type (face value): Stalls/Dress Circle (£40.00); Stalls/Dress Circle (£37.50); Upper Circle (£27.50); Upper Circle (£22.50) Show Times (for reference only): Mon-Sat 7.30pm, Thurs & Sat at 2.30pm
Her Majesty's Theatre (28 Apr, 1897)	Address: Haymarket, London, SW1Y 4QR Showing: The Phantom Of The Opera Seat prices: £45.00-£22.50 No. of seats (approx.): 1,216 Ticket type (face value): Stalls/Royal Circle (£45.00); Royal Circle (£40.00); Grand Circle (£35.00); Balcony (£22.50) Show Times (for reference only): Mon to Sat at 7.30pm, Tues & Sat at 2.30pm
London Palladium (26 Dec, 1910)	Address: Argyll Street, London, W1 Showing: Chitty Chitty Bang Bang Seat prices: £37.50-£12.00 No. of seats (approx.): 2,286 Ticket type (face value): Stalls/Royal Circle (£37.50); Stalls (£36.00); Stalls (£33.50); Upper Circle (£21.50); Upper Circle (£12.00) Show Times (for reference only): Tues 7pm, Wed to Sat Evenings at 7.30pm , Wed, Sat & Sun at 2.30pm

Appendix 15. Really Useful Theatres (London) (cont'd)

Name of Theatres (opened)	Details
Lyric Theatre (17 Dec, 1888)	<p>Address: Shaftesbury Avenue, London, W1V 8BA</p> <p>Showing: Beautiful And Damned</p> <p>Seat prices: £40.00-£25.00</p> <p>No. of seats (approx.): 932</p> <p>Ticket type (face value): Stalls (£40.00); Upper Circle (£30.00); Balcony (£25.00)</p> <p>Show Times (for reference only): Mon to Sat at 7.45pm , Wed & Sat at 3pm</p>
New London Theatre (2 Jan, 1973)	<p>Address: Drury Lane, London, WC2B 5PW</p> <p>Showing: Joseph and The Amazing Technicolor Dreamcoat</p> <p>Seat prices: £42.50-£22.50</p> <p>No. of seats (approx.): 943</p> <p>Ticket type (face value): Stalls/Royal Circle (£42.50); Stalls (£37.50); Stalls (£32.50); Stalls (£27.50); Child 12/under £10 off £42.50 (£32.50); Child 12/under £10 off £37.50 (£27.50); Child 12/under £10 off £32.50 (£22.50)</p> <p>Show Times (for reference only): Tue 7pm (from 27th April 7.30pm), Wed 2.30pm & 7.30pm; Thu 7.30pm ; Fri 5pm, & 8pm; Sat 2pm, 5pm, 8pm</p>
Palace Theatre (31 Jan, 1891)	<p>Address: Cambridge Circus, Shaftesbury Avenue, London, W1D 5AY</p> <p>Showing: The Woman in White</p> <p>Seat prices: £40.00-£15.00</p> <p>No. of seats (approx.): 1,394</p> <p>Ticket type (face value): Stalls/Dress Circle (£40.00); Stalls (£35.00); Grand Circle (£27.50); Balcony (£20.00); Balcony (£15.00)</p> <p>Show Times (for reference only): Mon to Sat at 7.30pm, Wed & Sat at 2.30pm</p>

Appendix 15. Really Useful Theatres (London) (cont'd)

Name of Theatres (opened)	Details
Queen's Theatre (8 Oct, 1907)	Address: Shaftesbury Avenue, London, W1V 6BA Showing: Les Miserables Seat prices: £45.00-£27.50 No. of seats (approx.): 990 Ticket type (face value): Stalls/Dress Circle (£45.00); Upper Circle (£35.00); Upper Circle (£27.50) Show Times (for reference only): Mon to Sat at 7.30pm, Mats Wed & Sat at 2.30pm
Theatre Royal, Drury Lane (10, Oct 1812)	Address: Drury Lane, Catherine Street, London, WC2B 5JF Showing: Anything Goes Seat prices: £45.00-£20.00 No. of seats (approx.): 2,205 Ticket type (face value): Stalls/Grand Circle (£45.00); Stalls (£40.00); Upper Circle (£35.00); Upper Circle (£30.00); Balcony (£20.00) Show Times (for reference only): Mon to Sat at 7.30pm, Wed & Sat at 2.30pm

Appendix 16. IMAX Corporation

Source: TEG's IMAX Page

<http://www.geocities.com/TEG2/IMAX/#features>

Construction Year (Opening Year)	IMAX corporation was founded in 1967. The first permanent projection system was installed at Ontario Place's Cinesphere in Toronto in 1971.
Construction Cost	US\$5,000,000 (approx.)
Restructuring costs and asset impairments (recoveries)	2000: US\$11,152,000 2001: US\$59,868,000 2002: (US\$2,961,000)
Gross Floor Area (m ²)	An Omnimax theatre is up to 27m/88.5' in diameter. Its screen is typically around 65 feet (20 m) high, by 90 feet (27 m) wide
Venue : A typical IMAX theatre	Seating Capacity : 160-450 seats
Tickets Issued	N/A
Tickets Price Range	US\$7 (approx.) for typical 45 minute IMAX shows
Attendance	To date, more than 700 million people

IMAX Corporation Consolidated Statement of Operations
(in thousands of U.S. dollars, except per share amounts)

Source: IMAX official website

	Years ended December 31,		
	2002	2001	2000
Revenue			
IMAX systems	\$70,959	\$76,582	\$113,226
Films	\$40,556	\$29,923	\$41,711
Other	<u>\$19,135</u>	<u>\$12,154</u>	<u>\$18,179</u>
	\$130,650	\$118,659	\$173,116
Cost of goods and services	<u>\$78,438</u>	<u>\$97,391</u>	<u>\$112,655</u>
Gross margin	\$52,212	\$21,268	\$60,461
Selling, general and administrative expenses	\$36,916	\$48,962	\$53,384
Research and development	\$2,362	\$3,385	\$6,497
Amortization of intangibles	\$1,418	\$3,005	\$2,948
Loss (income) from equity-accounted investees	(\$283)	(\$73)	\$4,811
Restructuring costs and asset impairments (recoveries)	<u>(\$2,961)</u>	<u>\$59,868</u>	<u>\$11,152</u>
Earnings (loss) from operations	\$14,760	(\$93,879)	(\$18,331)
Interest income	\$413	\$847	\$3,285
Interest expense, net of interest capitalized of \$nil (2001-\$511, 2000-\$1,393)	(\$17,570)	(\$20,020)	(\$21,961)
	-	(\$5,584)	(\$4,133)
Impairment of long-term investments	<u>\$403</u>	<u>(\$1,357)</u>	<u>(\$1,781)</u>
Foreign exchange gain (loss)	(\$1,994)	(\$121,993)	(\$42,921)
Loss from continuing operations before income taxes	<u>\$3,606</u>	<u>(\$11,005)</u>	<u>\$13,139</u>
Recovery of (provision for) income taxes	\$1,612	(\$132,998)	(\$29,782)
	<u>\$2,066</u>	<u>(\$50,850)</u>	<u>(\$2,055)</u>
Net earnings (loss) from continuing operations			
Net earnings (loss) from discontinued operations	\$3,678	(\$18,348)	(\$31,837)
Net earnings (loss) before cumulative effect of changes in accounting principles and extraordinary items	-	-	(\$61,110)
Cumulative effect of changes in accounting principles, net of income tax benefit of \$37,286	<u>\$8,294</u>	<u>\$38,734</u>	<u>-</u>
Extraordinary gain on repurchase of convertible subordinated notes, net of income tax expenses of \$3,606 and \$16,843	\$11,972	(\$145,114)	(\$92,947)
Net earnings (loss)			

IMAX Corporation Consolidated Statement of Operations (cont'd)
(in thousands of U.S. dollars, except per share amounts)

	Years ended December 31,		
	2002	2001	2000
Earnings (loss) per share:			
Earnings (loss) per share basic and fully diluted:			
Net earnings (loss) from continuing operations			
Net earnings (loss) from discontinued operations	\$0.05	(\$4.30)	(\$1.00)
	<u>\$0.06</u>	<u>(\$1.64)</u>	<u>(\$0.07)</u>
Net earnings (loss) before cumulative effect of			
changes in accounting principles and	\$0.11	(\$5.94)	(\$1.07)
	-	-	(\$2.04)
extraordinary items	<u>\$0.25</u>	<u>\$1.25</u>	<u>-</u>
	\$0.36	(\$4.69)	(\$3.11)
Cumulative effect of changes in accounting principles			
Extraordinary items			
Net earnings (loss)			

Appendix 17. A Royalty Museum in Taiwan

Source: Poon, S.W., Ming Pao, 25-26 February, 2004

Ownership	Private, Central Government, and Tai Chung City Government
Site Area	88,000 m ²
Gross Floor Area (m ²)	49,000 m ²
Overall Construction Cost	NT\$ 30,000,000,000 Minimum for projects in Tai Chung, starting from 2004
Construction Cost for Guggenheim Alone	NT\$ 6,400,000,000 50% to 66.6% Central Government; remainder from local government budget for 3 to 5 years
Estimated Visitors	From 1,020,000 (minimum) to 3,000,000 (maximum) (Bilbao Guggenheim: 930,000 in 2001)
Agreed Subsidy from Central Government	NT\$ 5,000,000,000
Feasibility Study funded by the government	US\$ 2,000,000
Franchise Fee	NT\$ 1,200,000,000 For the long term use of the Guggenheim franchise
“Private but non-profit” fund	NT\$ 100,000,000 Set up by the Tai Chung government
Reserve for First Year Subsidy to Operating Deficit	NT\$ 150,000,000 Reserved by Tai Chung government
Estimated Annual Income	NT\$ 261,120,000
Estimated Annual Expenditure	From NT\$ 512,400,000 to NT\$ 642,560,000 (Provision for renovation excluded)
Estimated Annual Subsidy Required	From NT\$ 280,000,000 to NT\$ 400,000,000 (NT\$ 8,163 per m ² per annum)
Additional Central Government Tax Income, Estimated	From NT\$ 300,000,000 to NT\$ 700,000,000
Additional Tai Chung City Government Tax Income, Estimated	NT\$ 950,000,000
Attendance	60,000-82,000 international visitors 3,000,000 local visitors
Job Creation, estimated	2,700 posts
Permanent Posts	870 after opening

Taichung Guggenheim versus Bilbao Guggenheim

	<u>Taichung Guggenheim</u>	<u>Bilbao Guggenheim (2001)</u>
收入 Income		
門票收入 Admission	US\$ 4,940,000	US\$ 2,980,000
個人會費	US\$ 250,000	US\$ 460,000
企業贊助	US\$ 1,000,000	US\$ 4,640,000
紀念品	US\$ 1,600,000	US\$ 1,500,000
其他	US\$ 370,000	US\$ 1,360,000
總收入 Total Income	<u>US\$ 8,160,000</u>	<u>US\$ 10,940,000</u>
支出 Expenditure		
薪資及福利 salary	US\$ 2,060,000	US\$ 4,430,000
展覽	US\$ 7,030,000- 11,000	US\$ 7,240,000
管理	US\$ 1,710,000	US\$ 1,200,000
內容	-	-
其他（水電、電話、設備、 差旅、財務事務）	US\$ 5,250,000	US\$ 6,630,000
總支出 Total Expenditure	US\$ 16,050,000-20,080,000	US\$ 19,500,000
年度差額	US\$ -7,890,000-11,920,000	US\$ -8,560,000
政府補助	-	US\$ 8,825,000
Net Total	US\$ -7,890,000-11,920,000	US\$ 265,000
員工人數	161	160

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