Legislative Council Subcommittee on West Kowloon Cultural District (WKCD) Development

Assessment of the Financial Implications of the WKCD Project

Purpose

This paper provides the following information:-

(a) the methodology of financial analysis and the various assumptions used by the Financial Advisor (FA) in assessing the financial implications of the WKCD project; and

(b) the detailed breakdown of the estimated capital costs and operating surpluses/deficits by facility for both Phase 1 and Phase 2 of the WKCD project based on the recommendations of the Consultative Committee on the Core Arts and Cultural Facilities of WKCD (the Consultative Committee).

Background

2. Following the discontinuation of the Invitation for Proposals (IFP) in February 2006, and in order to lay a solid foundation for plotting a new and alternative route to develop WKCD, the Chief Executive (CE) appointed the Consultative Committee and its three advisory groups, namely Performing Arts and Tourism Advisory Group (PATAG), Museum Advisory Group (MAG) and Financial Matters Advisory Group (FMAG) in April 2006 to re-examine and re-confirm, if appropriate, the need for the core arts and cultural facilities (CACF) in WKCD and the financial implications of developing and operating these facilities. The Consultative Committee submitted its Recommendation Report to the CE on 30 June 2007. The Consultative Committee's recommendations

include, inter alia, a number of CACF to be developed in the WKCD as well as the financing approach to enable the WKCD to be developed and operated in a financially sustainable manner.

3. To assist the FMAG in assessing the financial implications of the WKCD project, Home Affairs Bureau (HAB) engaged GHK (Hong Kong) Limited as the Financial Advisor (FA) to conduct the financial assessment. The methodology and various assumptions employed by the FA in conducting the financial analysis are outlined below.

Methodology of Financial Analysis and Various Key Assumptions

Methodology of Financial Analysis

Overview

4. The sequence of the major steps involved in undertaking the financial analysis by the FA is as follows:

(a) The recommendations and requirements of the PATAG and MAG, the October 2005 Package[Note 1] and the IFP were used as the basis for the WKCD project. The FA then went on to prepare detailed assumptions and development parameters for each facility as well as the WKCD site as a whole;

(b) Based on the Public Private Partnership (PPP) analysis and a market sentiment exercise conducted in Hong Kong and elsewhere, alternative appropriate procurement options for each facility were proposed. The facilities were grouped

Note 1 The Government announced in October 2005 that additional parameters would be imposed on the original IFP in order to address the public concerns. These include, inter alia, setting a plot ratio of 1.81 for the WKCD site and limiting the residential development in the site to 20% of the total Gross Floor Area (GFA).

together to form different scenarios for the WKCD as a whole. In this way, three alternative Private Sector Involvement (PSI) scenarios were developed for testing, each reflecting different levels of risk transfer to the private sector. A further scenario which reflected existing Government procurement practices – the Public Sector Comparator (PSC) - was also developed;

(c) A set of financial assumptions to be adopted in the financial analysis were developed, drawing on existing Government practice, evidence on financial and economic parameters and the market sentiment exercise;

(d) The proposed residential and commercial facilities were valued using comparables, based on a generally accepted methodology and the general market situation as at end 2006. This provided an estimate of the residual land value which would be paid as land premiums;

(e) Estimation of the costs and revenues (before risk and contingency) for each of the facilities. The cost/revenue estimates included-

- Initial capital costs including master planning, area and project management, construction and associated professional fees and contract management costs;
- Additional capital costs, including the costs of museum collection, offsite storage and conservation laboratory equipment, library set up and further exhibition development for the **M+**;
- Periodic major repair and renovation costs (considered as capital costs); and
- Operating costs and revenues;

(f) Risk analysis was undertaken to adjust costs and revenues to reflect the relevant procurement option or development package and also adjust for factors such as tax and insurance;

(g) The annual costs and revenues for the analysis period were estimated, with a project period of 50 years from assumed land sales in 2010 and assuming planning including master planning occurs in 2008 and 2009;

(h) A Money of the Day (MOD) annual surplus or deficit for each facility and a 2006 Net Present Value (NPV) equivalent were calculated; and

(i) The financial results of individual CACF, communal and other facilities including land premiums were combined to provide an overall analysis including annual MOD surplus and deficit, and a resultant NPV for the WKCD project as a whole under the alternative scenarios.

The assumptions, costs and revenues reported in this paper refer to the financial implications of the WKCD project taking into account the recommendations of the Consultative Committee.

The Net Present Value (NPV) Approach

5. The NPV approach is adopted in appraising project cash flows over the project period which spans over a long period of time. As part of the estimation process, the capital costs and operating surpluses/deficits have first been estimated in 2006 prices, which were then translated into annual cash flows in MOD prices taking into account the assumed phasing (in %) and timing of the cash flows required as well as inflation. The phasing (in %) and timing of cash flows required for the capitalised operating costs of the WKCD Authority (including master planning), construction costs, operating revenues, operating expenditures, as well as major repair and renovation costs of respective facilities are summarised in **Annexes 1(a) to 1(e)** respectively. These future annual cash flows in MOD prices are converted at a nominal discount rate into

their present day value equivalents at year 2006 using the Discounted Cash Flow Techniques to produce a net cost in NPV terms for the WKCD project as a whole. In other words, the total NPV deficit equates to the present-day value equivalent at year 2006 of the upfront investment required to cover both the capital costs and operating deficits (operating costs minus operating revenues) of the arts and cultural and related facilities over the project period, based on the assumption that the investment return is equal to the nominal discount rate used in the NPV calculation and that the timing and magnitude of the annual cash flows are realised as assumed in the financial assessment. The NPV approach is considered the most suitable approach for assessing the financial implications of the project and comparing the results between different facilities or procurement options.

Key Assumptions

6. The financial analysis was conducted on the basis of the CACF recommended by the Consultative Committee, the development parameters set out in the October 2005 Package and other relevant requirements set out in the IFP. To conduct the financial analysis, the FA worked out a number of assumptions in consultation with relevant Government bureaux and departments, making use of local and international experience and benchmarks where appropriate. The key assumptions include the following:

(a) phasing of the arts and cultural facilities;

(b) operating assumptions of the arts and cultural facilities;

(c) the financial parameters/assumptions used in the financial assessment; and

(d) development and operation programme.

Further details of these assumptions are given below.

(a) Phasing of the Arts and Cultural Facilities

7. The PATAG recommended that a few of the performing arts (PA) venues should be stand-alone structures due to their function, iconic design and specific image. These include the Mega Performance Venue (MPV), the Xiqu Centre, the Great Theatre 1 and the Concert Hall and Chamber Music Hall (the last two facilities should be co-located). The PATAG also indicated that the remaining facilities should be suitably clustered to achieve synergy and efficiency gains, but stopped short of making any specific recommendation on the exact clustering pattern. However, the PATAG recommended that the medium-sized theatres and blackbox theatres should be integrated with commercial facilities. Taking into account the PATAG's recommendations, the PA facilities were categorized into several clusters as follows for the purpose of financial assessment–

Phase 1 facilities :

(i) Mega Performance Venue (MPV)

(ii) Great Theatre 1

(iii) Concert Hall and Chamber Music Hall

(iv) Xiqu Centre (consisting of one large and one small theatre)

(v) Medium-sized Theatre 1

(vi) Medium-sized Theatre 2 and
Blackbox Theatre 1

(vii) Blackbox Theatres 2 and 3

(viii) Blackbox Theatre 4

(ix) Piazzas (including a small canopy as recommended by PATAG)

Phase 2 facilities :

(x) Great Theatre 2 and Medium-sized Theatre 3

(xi) Medium-sized Theatre 4

(b) Operating Assumptions of the Arts and Cultural Facilities

8. The operating assumptions adopted by the FA have taken into account the recommendations of the PATAG and the MAG as well as local and international comparators. The key operating assumptions are highlighted below.

M+

- Start up collection costs at $1 billion (in 2006 prices) and annual collection costs at $20 million (in 2006 prices)
- Programming costs of annual total operating expenditure – 27% for Phase 1 and 35% for Phase 2 (Reference year: Year 10 after commencement of operation)
- Visitor number targeted at 1.2 million per annum initially, reaching 2.0 million per annum upon opening of Phase 2
- Regular admission fee at $25

Performing Arts Venues (Reference year: Year 10 after commencement of operation)

- Utilization rates at 82% - 90%
- Average ticket price at a range of $100 - $350 (in 2006 prices)
- Attendance rates at 67% - 72%
- Venue programming costs at 6% to 41% of annual operating expenditure (except MPV which is 0%)

General

- All the CACF facilities will be ‘world class’
- Build up of costs and revenue during initial years of operation
- Gradual increase in demand for PA venues and EC over 30 years

Area and Project Management

- Area and project management was assumed to commence in 2008 and cover the whole assessment period to the year 2059. There are 2 phases: (i) 2008 to 2014, which is primarily construction and area management and (ii) 2015 onwards, which is primarily operational management.

(c) Financial Parameters/Assumptions

9. The following financial parameters/assumptions have been adopted in the financial assessment–

Parameters	**Assumptions**
Project period from design/construction to operation	50 years from 2010 to 2059 (assuming that the WKCD Authority would be set up by 2008 and complete the master planning of the WKCD during 2008-2009)
Real Discount Rate	4% per annum
Inflation Rate	2% per annum
Nominal Discount Rate for arriving at the NPV	6.1% [i.e. (1+4%)X(1+2%) – 1]
Construction Cost Escalation	2% inflation rate per annum
Staff Costs Escalation	2% inflation rate per annum
Land Premium	Land valuation as at 2006 Q4, but land sale is assumed to take place in 2010

(d) Development and Operation Programme

10. Estimates of the capital costs and operating deficits by the FA are based on the following assumptions on development and operation programme –

Year(s)	**Development/Operation Programme**
Phase 1: 2008	 Establishment of WKCD Authority
2008–2009	Master planning by WKCD Authority
2014-2015	Completion and operation of all Phase 1 CACF
Phase 2:	
2026	Completion and operation of Phase 2 PA venues
2031	Operation of Phase 2 **M+**

11. The FA assumed that the design and construction of PA venues (except Concert Hall/Chamber Music Hall and Xiqu Centre) and the EC would take 3 to 4 years, and the design and construction of **M+**, Concert Hall/Chamber Music Hall and Xiqu Centre would take 5 years, including 1 year for an international architectural design competition as recommended by the Consultative Committee. As such Phase 1 PA venues (except Concert Hall/Chamber Music Hall and Xiqu Centre) would be operational by 2014 and the **M+**, Concert Hall/Chamber Music Hall and Xiqu Centre by 2015. Payment for the design and construction works would take one extra year due to withholding of retention money which would be paid in the year following the works completion year.

Recommended Financing Approach

12. The key findings of the FA's financial analysis are as follows:

(a) None of the proposed arts and cultural facilities is financially self-sustainable (taking both capital and operating costs into account)

(b) Only two venues might operate with a surplus—the Exhibition Centre and the MPV;

(c) There would be a significant funding gap (excess of estimated total capital costs and operating deficits over estimated land premium of the commercial and residential sites in WKCD) if we were to take on board all the recommendations on the CACF made by the PATAG and the MAG, and fully adhere to the initial development mix ;

(d) As revealed from the FA's market sentiment testing exercise, there is very limited market interest in participating in life-cycle PPP arrangements owing to expected construction and operating risks and deficits. Moreover, there is a lack of competent market players. Instead PSI in operations with operating subsidies would have more potential to attract private sector interest. As a result, most procurement should take the form of traditional Design and Build contracts, and separate operation and management contracts.

The above findings are in line with relevant international experience which indicated that arts and cultural facilities are typically loss-making and require significant public subsidies in both capital and operating costs. There should also be sufficient recurrent income to sustain the long-term operation of the facilities.

13. Taking into account the above findings, it was concluded that there was very limited scope for WKCD project to adopt PSI scenarios adopting a life-cycle PPP approach requiring the private sector to finance the development and maintenance of the facilities, and to operate the

facilities over a long period of time. There is also limited scope for cross-subsidy between venues. As such, the unpackaged development approach with PSI has been adopted in assessing the financial implications of the WKCD project taking into account the recommendations of the Consultative Committee. In this approach, the private sector would design and build the CACF and communal facilities, while the operation, maintenance and management (OMM) of the completed facilities would be undertaken by different private sector parties to the specified level of performance under OMM contracts let by the public sector or the WKCD Authority as appropriate. There would be no private sector financing involved and no use of land to directly subsidize development and operation of CACF, and infrastructure facilities under this scenario.

14. Having regard to the guiding principles of providing funding stability, maximum flexibility for phased development of a cultural district, ensuring early delivery and financial sustainability, the Consultative Committee recommended to adopt the following financing approach for the WKCD:

(a) Finance the *capital costs* through an upfront endowment appropriated by the LegCo roughly equivalent to the estimated *land revenue* from the residential, hotel and office part of the commercial sites within the WKCD; and

(b) Vest the retail/dining/entertainment (RDE) part of the commercial sites with the WKCD Authority to provide a steady source of recurrent income through *rental proceeds* to meet the *operating deficits* of the CACF and related facilities.

This would enable the WKCD to be developed and operated in a self-sufficient and sustainable manner within the 40-hectare WKCD site.

15. Having adopted certain measures to bridge the funding gap (including reducing the scale of the **M+**, adjusting the Net Operating Floor Area to Gross Floor Area (GFA) ratios for CACF, adjusting the ratios between GFA for RDE vis-a-vis hotel and office, and adjusting the funding responsibilities between WKCD Authority and the Government on the communal and infrastructural facilities), the Consultative Committee recommended the following development mix for the WKCD–

Development Mix	**GFA**	**% of Total GFA**
Cultural and related mix		
(A) Arts and cultural/communal facilities		
M+ [Note 2]	61 950 sq.m.	8%
Exhibition Centre (EC)	12 500 sq.m.	2%
Performing art venues	188 895 sq.m.	26%
Other arts and cultural uses	15 000 sq.m.	2%
Communal facilities including items to be funded under Public Works Programme (PWP))	20 000 sq.m.	3%
(B) RDE facilities (to generate rental income to subsidize operating deficits of (A) above except PWP items)	119 000 sq.m.	16%
Sub-total	**417 345 sq.m.**	**57%**

[Note 2] On-site portion.

Residential/Commercial mix		
(A)Residential: Villa Houses & Apartments	145 257 sq.m.	20%
(B) Hotel	56 000 sq.m.	8%
(C) Office [Note 3]	107 683 sq.m.	15%
Sub-total	**308 940 sq.m.**	**43%**
Total	**726 285 sq.m.**	**100%**

16. This would be a balanced development mix comprising 36% of GFA for CACF (as compared with 30% under IFP) which will be suitably integrated with 15% for office, 16% for RDE, and 8% for hotel, and a maximum of 20% for residential developments.

Detailed Breakdown of Costs [Note 4] and Revenues

Capital Costs

17. In line with the financing approach recommended by the Consultative Committee, and assuming the WKCD Authority will be set up in late 2008, the Administration will seek the Finance Committee's approval in mid 2008 for an upfront endowment of **$21.6 billion** to be given to the WKCD Authority upon its establishment to finance the **capital costs** of the facilities under the purview of the WKCD Authority over the project period. The capital costs cover-

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[Note 3] To allow flexibility, 28 000 sq. m. of GFA may be used for office or hotel developments depending on the prevailing market demand.

[Note 4] Excluding roads, public pier, fire station, police post, public toilets, drainage, etc. and engineering works to be untaken by the Government through separate funding under the Public Works Programme.

(a) the *capitalised operating costs of the WKCD Authority* during the development of Phase 1 facilities;

(b) *planning, design and construction costs* of Phase 1 and Phase 2 arts and cultural facilities (including the land costs and development costs of the offsite storage and conservation laboratory), other related facilities (including public open space, Automated People Mover (APM) and public car parks) and RDE facilities;

(c) *periodic major repair and renovation costs* of the facilities in (a); and

(d) initial museum *collection costs* and capitalised annual collection costs; exhibition development, offsite storage and conservation laboratory equipment, as well as library set up costs for the **M+**.

A breakdown of the capital costs of individual facilities showing their respective capital cost elements according to (a) to (d) above is given in **Annex 2**. The cash flow requirements of individual capital cost elements in intervals of 10 years over the project period to 2059 are shown in **Annex 3**.

18. Further details of individual capital cost elements are given in the paragraphs below.

(a) Capitalised Operating Costs of the WKCD Authority during the Development of Phase 1

19. For financial assessment purpose, the operating costs of the future WKCD Authority from 2008 till 2014 when the Phase 1 CACF are completed, including the master planning costs (about $16.7 million a year in 2006 prices) during the period 2008-2009, are capitalised and

treated as capital costs so as to distinguish them from the operating deficits during the operation period of the WKCD. The FA estimated that the WKCD Authority would require a total number of staff of 90 during the development of the Phase 1. The annual total cost (including staff costs and other operating expenses) involved will be $189.4 million a year (in 2006 prices). A breakdown of the capitalised operating costs of the WKCD Authority (incl. master planning) in NPV at 2008 and the projected annual cash flows (in MOD prices) over the period from 2008 to 2014 is given in **Annex 4**.

(b) Design, Planning and Construction Costs

20. In estimating the design, planning and construction costs of individual facilities, the FA has taken into account the following parameters/assumptions:

(i) *construction floor area* (CFA) / floor area;

(ii) *unit cost* per sq. m. CFA / floor area [Note 5] – this covers estimated costs of foundation, building construction and fitting out;

(iii) *land costs* for the offsite storage and conservation laboratory for the **M+**;

(iv) *professional fees and contract management costs* involved in the design, planning and construction process; and

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[Note 5] The FA has prepared the construction cost estimates based on a set of very detailed assumptions for each facility. The detailed assumptions, relevant research and benchmarks are shown in the Annexes C (for **M+** and EC) and D (for PA venues) of the FA's Final Report dated April 2007. In particular, for the capital cost estimates of the CACF, these were compared to international examples by the FA team's Quantity Surveyors. The comparison was adjusted for time (when the facility was built) and to reflect Hong Kong construction costs to give a real purchasing power parity comparison to the Hong Kong situation..

(v) *construction risk or contingency* involved in the design, planning and construction process.

Details of the parameters/assumptions and the calculations of total design, planning and construction costs in 2006 prices for individual facilities are provided in **Annex 5(a)** and their respective NPV at 2008 and the projected annual cash flows (in MOD prices) over the project period are given in **Annex 5(b)**.

(c) Periodic Major Repair and Renovation Costs

21. Instead of setting aside annual provision for asset depreciation and replacement, the FA provided for periodic major repair and renovation costs, covering fitting out, electrical and mechanical installations of the arts and cultural facilities and related facilities. As regards building maintenance, the FA has provided for annual provision in the operating account of individual facilities instead. The FA estimated that the CACF would require major repair and renovation once every 20 years (excluding piazzas which require 30 years), and that for the non-CACF, the cycle would range from 12 years (RDE facilities) to 30 years (APM and public open space). The extent and cycle of periodic major repair and renovation and the total costs involved in each such major overhaul for individual facilities are summarised in **Annex 6(a)** and their respective NPV at 2008 and the projected annual cash flows (in MOD prices) over the project period are given in **Annex 6(b)**.

*(d) Museum Collection and Other Costs of **M+***

22. For the **M+**, the FA has also allowed for provisions for acquiring collection, exhibition development, conservation laboratory equipment and library set up costs as capital costs.

23. The FA assumed an initial capital of $1 billion (in 2006 prices) for building up a sizeable and impressive collections commensurate with **M+**'s status and attributes, and an annual museum collection budget of $20 million a year (in 2006 prices) thereafter from 2015 onwards over the project period to 2059.

24. The FA provided for periodic fabrication of the exhibition galleries of the **M+** at a unit cost $12,750 per sq. m. (in 2006 prices). The area of the exhibition galleries in Phase 1 is assumed to be 16,000 sq. m. A further 10,000 sq. m. will be made available upon commissioning of the Phase 2 of **M+**. The FA provided for initial exhibition development for the exhibition galleries of the respective Phases 1 and 2 when they first come into operation, and further exhibition development for them at an interval of 15 years thereafter.

25. The FA has also provided for the acquisition of conservation laboratory equipment at a cost of about $26 million (in 2006 prices) upon commissioning of the Phase 1 of **M+** and assumed 50% replacement (i.e. about $13 million in 2006 prices) at an interval of 10 years thereafter.

26. The FA has set aside a one-off sum of $28 million (in 2006 prices) for library set up costs upon commissioning of the Phase 1 **M+**. Recurrent provision for running the library has been provided for in the annual operating account of the **M+**.

27. The total costs in 2008 NPV and the projected annual cash flows (in MOD prices) of the above items (i.e. museum collection, exhibition development, conservation laboratory equipment and library set up) for the **M+** over the project period are summarised in **Annex 7**.

Land Revenue

28. The FA has assessed the land revenue of the residential, hotel and office developments based on generally accepted methodology and the market situation as of end 2006. For residential apartments, the direct comparison method of valuation was adopted with reference to relevant land transactions. For villa houses, hotel and office uses, of which land transaction is rare in the market, residual method of valuation was adopted instead. With the residual method of valuation, the gross development value (GDV, i.e. the potential sale proceeds of the completed development) of the proposed development is assessed. Deducting the development costs and required profits from the GDV gives the residual amount which represents the land value of the proposed development. Based on this valuation in December 2006, the potential total value of the land available for residential, hotel and office developments is $22.1 billion (in 2006 prices). Land disposal is expected to happen in 2010. The FA assumed that the land revenue would escalate in line with inflation and the land revenue proceeds are expected to be received in that year. The land revenue in NPV terms at year 2008 would be $21.3 billion which was arrived at by discounting the expected land revenue proceeds in 2010 (in MOD prices) to present day values equivalent at year 2008 by using a nominal discount rate of 6.1%. A breakdown of the land revenue is given in **Annex 8**.

Rental Income from RDE Facilities

29. The FA assumed that RDE facilities will secure a net monthly rental of $323 per sq. m. (in 2006 prices) for the shops and $2,500 (in 2006 prices) per car parking space in the RDE facilities. The annual net total rental income in 2006 prices is $473 million and the net total rental income over the project period to 2059 is $8.4 billion in 2008 NPV. The operating surplus from RDE in NPV at 2008 and the

projected annual cash flows (in MOD prices) over the project period are summarised in **Annex 9**.

Operating Surpluses/Deficits of WKCD Facilities

30. The operating surpluses/deficits include the following -

(a) operating surpluses/deficits of the CACF, other arts and cultural facilities, APM, public car parks and public open space; and
(b) operating costs of the WKCD Authority (mainly in area management).

The total operating deficit is $7.6 billion in 2008 NPV. A breakdown of the operating cost recovery rates (at a reference year) and the operating surpluses/deficits for respective facilities (except RDE facilities) is given in **Annex 10**.

31. The key operating/working assumptions of the CACF are given in **Annex 11**.

Home Affairs Bureau
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Legislative Council Subcommittee on West Kowloon Cultural District (WKCD) Development Assessment of the Financial Implications of the WKCD Project

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West Kowloon Cultural District
Phasing (%) and Timing of Capitalized Operating Costs of WKCD Authority

		Total	2008	2009	2010	2011	2012	2013	2014	2015 to 2059
PHASE 1										
1	**Management and Masterplanning**									
1.1	Masterplanning	100%	50%	50%	0%	0%	0%	0%	0%	0%
1.2	Area and Project Management	100%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	0%

West Kowloon Cultural District
Phasing (%) and Timing of Construction Expenditure

			Total	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PHASE 1																					
1	**Management and Masterplanning**																				
	1.1	Masterplanning	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	1.2	Area and Project Management	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Museum and Exhibition Space**																				
	2.1	M+	100%	0%	0%	0%	7%	23%	42%	25%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	2.2	Exhibition Centre	100%	0%	0%	0%	7%	46%	44%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	**Performing Arts Facilities**																				
	3.1	Mega Performance Venue	100%	0%	0%	7%	23%	42%	25%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.2	Great Theatre 1	100%	0%	0%	7%	23%	42%	25%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.3	Concert Hall and Chamber Music Hall	100%	0%	0%	0%	7%	23%	42%	25%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.4	Xiqu Centre	100%	0%	0%	0%	7%	23%	42%	25%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.5	Medium Theatre 1	100%	0%	0%	0%	7%	46%	44%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.6	Medium Theatre 2 and Black Box Theatre 1	100%	0%	0%	7%	23%	42%	25%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.7	Black Box Theatres 2 and 3	100%	0%	0%	0%	7%	46%	44%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.8	Black Box Theatre 4	100%	0%	0%	0%	7%	46%	44%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.9	Piazzas	100%	0%	0%	7%	46%	44%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	**Other Arts and Cultural Uses**		100%	0%	0%	0%	7%	46%	44%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	**Transport Facilities**																				
	5.1	Automated People Mover	100%	0%	0%	7%	46%	44%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	5.4	Car parks	100%	0%	0%	7%	46%	44%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	**Communal Facilities**																				
	6.1	Public Open Space	100%	0%	0%	7%	46%	44%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	**Retail/Dining/Entertainment Facilities**		100%	0%	0%	0%	0%	48.5%	48.5%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
PHASE 2																					
8	**Performing Arts Facilities (Phase 2)**																				
	8.1	Great Theatre 2 and Medium Theatre 3	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	7%	23%	42%	25%
	8.2	Medium Theatre 4	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	7%	46%	44%
9	**M+ Phase 2**		100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

West Kowloon Cultural District
Phasing (%) and Timing of Construction Expenditure

			Total	2026	2027	2028	2029	2030	2031	2032 to 2059
PHASE 1										
1	**Management and Masterplanning**									
	1.1	Masterplanning	0%	0%	0%	0%	0%	0%	0%	0%
	1.2	Area and Project Management	0%	0%	0%	0%	0%	0%	0%	0%
2	**Museum and Exhibition Space**									
	2.1	M+	100%	0%	0%	0%	0%	0%	0%	0%
	2.2	Exhibition Centre	100%	0%	0%	0%	0%	0%	0%	0%
3	**Performing Arts Facilities**									
	3.1	Mega Performance Venue	100%	0%	0%	0%	0%	0%	0%	0%
	3.2	Great Theatre 1	100%	0%	0%	0%	0%	0%	0%	0%
	3.3	Concert Hall and Chamber Music Hall	100%	0%	0%	0%	0%	0%	0%	0%
	3.4	Xiqu Centre	100%	0%	0%	0%	0%	0%	0%	0%
	3.5	Medium Theatre 1	100%	0%	0%	0%	0%	0%	0%	0%
	3.6	Medium Theatre 2 and Black Box Theatre 1	100%	0%	0%	0%	0%	0%	0%	0%
	3.7	Black Box Theatres 2 and 3	100%	0%	0%	0%	0%	0%	0%	0%
	3.8	Black Box Theatre 4	100%	0%	0%	0%	0%	0%	0%	0%
	3.9	Piazzas	100%	0%	0%	0%	0%	0%	0%	0%
4	**Other Arts and Cultural Uses**		100%	0%	0%	0%	0%	0%	0%	0%
5	**Transport Facilities**									
	5.1	Automated People Mover	100%	0%	0%	0%	0%	0%	0%	0%
	5.4	Car parks	100%	0%	0%	0%	0%	0%	0%	0%
6	**Communal Facilities**									
	6.1	Public Open Space	100%	0%	0%	0%	0%	0%	0%	0%
7	**Retail/Dining/Entertainment Facilities**		100%	0%	0%	0%	0%	0%	0%	0%
PHASE 2										
8	**Performing Arts Facilities (Phase 2)**									
	8.1	Great Theatre 2 and Medium Theatre 3	100%	3%	0%	0%	0%	0%	0%	0%
	8.2	Medium Theatre 4	100%	3%	0%	0%	0%	0%	0%	0%
9	**M+ Phase 2**		100%	0%	0%	7%	46%	44%	3%	0%

West Kowloon Cultural District
Phasing (%) and Timing of Operating Revenue

			No. of Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PHASE 1																					
1	**Management and Masterplanning**																				
	1.1	Masterplanning	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	1.2	Area and Project Management	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Museum and Exhibition Space**																				
	2.1	M+	45	0%	0%	0%	0%	0%	0%	0%	100%	85%	90%	95%	100%	100%	100%	100%	100%	100%	100%
	2.2	Exhibition Centre	46	0%	0%	0%	0%	0%	0%	80%	75%	80%	85%	90%	92%	94%	96%	98%	100%	101%	102%
3	**Performing Arts Facilities**																				
	3.1	Mega Performance Venue	46	0%	0%	0%	0%	0%	0%	80%	75%	80%	85%	90%	92%	94%	96%	98%	100%	101%	102%
	3.2	Great Theatre 1	46	0%	0%	0%	0%	0%	0%	80%	75%	80%	85%	90%	92%	94%	96%	98%	100%	101%	102%
	3.3	Concert Hall and Chamber Music Hall	45	0%	0%	0%	0%	0%	0%	0%	80%	75%	80%	85%	90%	92%	94%	96%	98%	100%	101%
	3.4	Xiqu Centre	45	0%	0%	0%	0%	0%	0%	0%	80%	75%	80%	85%	90%	92%	94%	96%	98%	100%	101%
	3.5	Medium Theatre 1	46	0%	0%	0%	0%	0%	0%	80%	75%	80%	85%	90%	92%	94%	96%	98%	100%	101%	101%
	3.6	Medium Theatre 2 and Black Box Theatre 1	46	0%	0%	0%	0%	0%	0%	80%	75%	80%	85%	90%	92%	94%	96%	98%	100%	100%	101%
	3.7	Black Box Theatres 2 and 3	46	0%	0%	0%	0%	0%	0%	80%	75%	80%	85%	90%	92%	94%	96%	98%	100%	100%	101%
	3.8	Black Box Theatre 4	46	0%	0%	0%	0%	0%	0%	80%	75%	80%	85%	90%	92%	94%	96%	98%	100%	100%	101%
	3.9	Piazzas	47	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
4	**Other Arts and Cultural Uses**		46	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5	**Transport Facilities**																				
	5.1	Automated People Mover	47	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	5.2	Car parks	47	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
6	**Communal Facilities**																				
	6.1	Public Open Space	47	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
7	**Retail/Dining/Entertainment Facilities**		46	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
PHASE 2																					
8	**Performing Arts Facilities (Phase 2)**																				
	8.1	Great Theatre 2 and Medium Theatre 3	34	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	8.2	Medium Theatre 4	34	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	**M+ Phase 2**		29	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

West Kowloon Cultural District
Phasing (%) and Timing of Operating Revenue

	No. of Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
PHASE 1																			
1 Management and Masterplanning																			
1.1 Masterplanning	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
1.2 Area and Project Management	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2 Museum and Exhibition Space																			
2.1 M+	45	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2.2 Exhibition Centre	46	102%	103%	104%	105%	106%	107%	108%	108%	109%	110%	111%	112%	113%	114%	115%	116%	117%	117%
3 Performing Arts Facilities																			
3.1 Mega Performance Venue	46	103%	104%	105%	106%	107%	108%	109%	110%	111%	112%	113%	114%	115%	116%	117%	118%	119%	120%
3.2 Great Theatre 1	46	103%	104%	105%	106%	107%	108%	109%	111%	112%	113%	114%	115%	116%	117%	119%	120%	121%	122%
3.3 Concert Hall and Chamber Music Hall	45	102%	103%	104%	106%	107%	108%	109%	110%	112%	113%	114%	115%	117%	118%	119%	120%	122%	123%
3.4 Xiqu Centre	45	101%	102%	102%	103%	104%	104%	105%	106%	106%	107%	108%	108%	109%	110%	110%	111%	112%	112%
3.5 Medium Theatre 1	46	102%	102%	103%	103%	104%	104%	105%	105%	106%	106%	107%	107%	108%	108%	109%	109%	110%	111%
3.6 Medium Theatre 2 and Black Box Theatre 1	46	101%	102%	102%	103%	103%	104%	104%	105%	106%	106%	107%	107%	108%	108%	109%	109%	110%	110%
3.7 Black Box Theatres 2 and 3	46	101%	102%	102%	103%	103%	103%	104%	104%	105%	105%	106%	106%	107%	107%	108%	108%	108%	109%
3.8 Black Box Theatre 4	46	101%	102%	102%	103%	103%	103%	104%	104%	105%	105%	106%	106%	107%	107%	108%	108%	108%	109%
3.9 Piazzas	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
4 Other Arts and Cultural Uses	46	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5 Transport Facilities																			
5.1 Automated People Mover	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5.2 Car parks	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
6 Communal Facilities																			
6.1 Public Open Space	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
7 Retail/Dining/Entertainment Facilities	46	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
PHASE 2																			
8 Performing Arts Facilities (Phase 2)																			
8.1 Great Theatre 2 and Medium Theatre 3	34	80%	75%	80%	85%	90%	92%	94%	96%	98%	100%	101%	102%	103%	104%	105%	107%	108%	109%
8.2 Medium Theatre 4	34	80%	75%	80%	85%	90%	92%	94%	96%	98%	100%	101%	101%	102%	103%	104%	104%	105%	106%
9 M+ Phase 2	29	0%	0%	0%	0%	0%	100%	85%	90%	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%

West Kowloon Cultural District
Phasing (%) and Timing of Operating Revenue

		No. of Years	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059
PHASE 1																		
1	**Management and Masterplanning**																	
1.1	Masterplanning	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
1.2	Area and Project Management	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Museum and Exhibition Space**																	
2.1	M+	45	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2.2	Exhibition Centre	46	117%	117%	117%	117%	117%	117%	117%	117%	117%	117%	117%	117%	117%	117%	117%	117%
3	**Performing Arts Facilities**																	
3.1	Mega Performance Venue	46	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%
3.2	Great Theatre 1	46	122%	122%	122%	122%	122%	122%	122%	122%	122%	122%	122%	122%	122%	122%	122%	122%
3.3	Concert Hall and Chamber Music Hall	45	124%	124%	124%	124%	124%	124%	124%	124%	124%	124%	124%	124%	124%	124%	124%	124%
3.4	Xiqu Centre	45	113%	113%	113%	113%	113%	113%	113%	113%	113%	113%	113%	113%	113%	113%	113%	113%
3.5	Medium Theatre 1	46	111%	111%	111%	111%	111%	111%	111%	111%	111%	111%	111%	111%	111%	111%	111%	111%
3.6	Medium Theatre 2 and Black Box Theatre 1	46	110%	110%	110%	110%	110%	110%	110%	110%	110%	110%	110%	110%	110%	110%	110%	110%
3.7	Black Box Theatres 2 and 3	46	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%
3.8	Black Box Theatre 4	46	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%	109%
3.9	Piazzas	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
4	**Other Arts and Cultural Uses**	46	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5	**Transport Facilities**																	
5.1	Automated People Mover	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5.2	Car parks	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
6	**Communal Facilities**																	
6.1	Public Open Space	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
7	**Retail/Dining/Entertainment Facilities**	46	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
PHASE 2																		
8	**Performing Arts Facilities (Phase 2)**																	
8.1	Great Theatre 2 and Medium Theatre 3	34	110%	111%	112%	114%	115%	116%	117%	119%	120%	121%	122%	124%	124%	124%	124%	124%
8.2	Medium Theatre 4	34	106%	107%	108%	109%	109%	110%	111%	112%	113%	113%	114%	115%	115%	115%	115%	115%
9	**M+ Phase 2**	29	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

West Kowloon Cultural District
Phasing (%) and Timing of Operating Expenditure

		No. of Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PHASE 1																				
1	**Management and Masterplanning**																			
1.1	Masterplanning	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
1.2	Area and Project Management	45	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2	**Museum and Exhibition Space**																			
2.1	M+	46	0%	0%	0%	0%	0%	0%	50%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2.2	Exhibition Centre	47	0%	0%	0%	0%	0%	50%	95%	95%	95%	95%	95%	96%	97%	98%	99%	100%	100%	100%
3	**Performing Arts Facilities**																			
3.1	Mega Performance Venue	47	0%	0%	0%	0%	0%	50%	95%	95%	95%	95%	95%	96%	97%	98%	99%	100%	100%	100%
3.2	Great Theatre 1	47	0%	0%	0%	0%	0%	50%	95%	95%	95%	95%	95%	96%	97%	98%	99%	100%	100%	101%
3.3	Concert Hall and Chamber Music Hall	46	0%	0%	0%	0%	0%	0%	50%	95%	95%	95%	95%	95%	96%	97%	98%	99%	100%	101%
3.4	Xiqu Centre	46	0%	0%	0%	0%	0%	0%	50%	95%	95%	95%	95%	95%	96%	97%	98%	99%	100%	100%
3.5	Medium Theatre 1	47	0%	0%	0%	0%	0%	50%	95%	95%	95%	95%	95%	96%	97%	98%	99%	100%	100%	100%
3.6	Medium Theatre 2 and Black Box Theatre 1	47	0%	0%	0%	0%	0%	50%	95%	95%	95%	95%	95%	96%	97%	98%	99%	100%	100%	100%
3.7	Black Box Theatres 2 and 3	47	0%	0%	0%	0%	0%	50%	95%	95%	95%	95%	95%	96%	97%	98%	99%	100%	100%	100%
3.8	Black Box Theatre 4	47	0%	0%	0%	0%	0%	50%	95%	95%	95%	95%	95%	96%	97%	98%	99%	100%	100%	100%
3.9	Piazzas	48	0%	0%	0%	0%	50%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
4	**Other Arts and Cultural Uses**	46	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5	**Transport Facilities**																			
5.1	Automated People Mover	47	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5.2	Car parks	47	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
6	**Communal Facilities**																			
6.1	Public Open Space	47	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
7	**Retail/Dining/Entertainment Facilities**	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
PHASE 2																				
8	**Performing Arts Facilities (Phase 2)**																			
8.1	Great Theatre 2 and Medium Theatre 3	35	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%
8.2	Medium Theatre 4	35	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%
9	**M+ Phase 2**	30	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

West Kowloon Cultural District
Phasing (%) and Timing of Operating Expenditure

		No. of Years	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
PHASE 1																				
1	**Management and Masterplanning**																			
1.1	Masterplanning	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
1.2	Area and Project Management	45	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2	**Museum and Exhibition Space**																			
2.1	M+	46	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2.2	Exhibition Centre	47	101%	101%	101%	101%	102%	102%	102%	102%	103%	103%	103%	103%	104%	104%	104%	104%	105%	105%
3	**Performing Arts Facilities**																			
3.1	Mega Performance Venue	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	101%	101%	101%	101%	101%	101%	101%	101%
3.2	Great Theatre 1	47	101%	102%	102%	102%	103%	103%	104%	104%	104%	105%	105%	106%	106%	106%	107%	107%	108%	108%
3.3	Concert Hall and Chamber Music Hall	46	101%	102%	103%	103%	104%	105%	106%	106%	107%	108%	109%	109%	110%	111%	112%	112%	113%	114%
3.4	Xiqu Centre	46	100%	101%	101%	101%	101%	102%	102%	102%	102%	103%	103%	103%	103%	104%	104%	104%	104%	105%
3.5	Medium Theatre 1	47	101%	101%	101%	101%	101%	101%	102%	102%	102%	102%	102%	102%	103%	103%	103%	103%	103%	104%
3.6	Medium Theatre 2 and Black Box Theatre 1	47	101%	101%	101%	101%	101%	101%	102%	102%	102%	102%	102%	102%	103%	103%	103%	103%	103%	104%
3.7	Black Box Theatres 2 and 3	47	100%	101%	101%	101%	101%	101%	101%	101%	102%	102%	102%	102%	102%	102%	102%	103%	103%	103%
3.8	Black Box Theatre 4	47	100%	100%	101%	101%	101%	101%	101%	101%	101%	101%	101%	102%	102%	102%	102%	102%	102%	102%
3.9	Piazzas	48	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
4	**Other Arts and Cultural Uses**	46	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5	**Transport Facilities**																			
5.1	Automated People Mover	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5.2	Car parks	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
6	**Communal Facilities**																			
6.1	Public Open Space	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
7	**Retail/Dining/Entertainment Facilities**	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
PHASE 2																				
8	**Performing Arts Facilities (Phase 2)**																			
8.1	Great Theatre 2 and Medium Theatre 3	35	95%	95%	95%	95%	95%	96%	97%	98%	99%	100%	101%	101%	102%	103%	103%	104%	105%	105%
8.2	Medium Theatre 4	35	95%	95%	95%	95%	95%	96%	97%	98%	99%	100%	100%	101%	101%	102%	102%	103%	103%	103%
9	**M+ Phase 2**	30	0%	0%	0%	0%	50%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

West Kowloon Cultural District
Phasing (%) and Timing of Operating Expenditure

			No. of Years	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059
PHASE 1																			
1	**Management and Masterplanning**																		
	1.1	Masterplanning	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	1.2	Area and Project Management	45	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2	**Museum and Exhibition Space**																		
	2.1	M+	46	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	2.2	Exhibition Centre	47	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%
3	**Performing Arts Facilities**																		
	3.1	Mega Performance Venue	47	101%	101%	101%	101%	101%	101%	101%	101%	101%	101%	101%	101%	101%	101%	101%	101%
	3.2	Great Theatre 1	47	108%	108%	108%	108%	108%	108%	108%	108%	108%	108%	108%	108%	108%	108%	108%	108%
	3.3	Concert Hall and Chamber Music Hall	46	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%
	3.4	Xiqu Centre	46	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%
	3.5	Medium Theatre 1	47	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%
	3.6	Medium Theatre 2 and Black Box Theatre 1	47	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%
	3.7	Black Box Theatres 2 and 3	47	103%	103%	103%	103%	103%	103%	103%	103%	103%	103%	103%	103%	103%	103%	103%	103%
	3.8	Black Box Theatre 4	47	102%	102%	102%	102%	102%	102%	102%	102%	102%	102%	102%	102%	102%	102%	102%	102%
	3.9	Piazzas	48	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
4	**Other Arts and Cultural Uses**		46	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5	**Transport Facilities**																		
	5.1	Automated People Mover	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	5.2	Car parks	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
6	**Communal Facilities**																		
	6.1	Public Open Space	47	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
7	**Retail/Dining/Entertainment Facilities**		-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
PHASE 2																			
8	**Performing Arts Facilities (Phase 2)**																		
	8.1	Great Theatre 2 and Medium Theatre 3	35	106%	107%	107%	108%	109%	110%	110%	111%	112%	113%	113%	114%	114%	114%	114%	114%
	8.2	Medium Theatre 4	35	104%	104%	105%	105%	106%	106%	106%	107%	107%	108%	108%	109%	109%	109%	109%	109%
9	**M+ Phase 2**		30	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

West Kowloon Cultural District
Phasing (%) and Timing of Major Repair and Renovation Expenditure

			Total	No. of Times	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PHASE 1																					
1	**Management and Masterplanning**																				
	1.1	Masterplanning	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	1.2	Area and Project Management	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Museum and Exhibition Space**																				
	2.1	M+	96%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	2.2	Exhibition Centre	94%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	**Performing Arts Facilities**																				
	3.1	Mega Performance Venue	102%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.2	Great Theatre 1	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.3	Concert Hall and Chamber Music Hall	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.4	Xiqu Centre	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.5	Medium Theatre 1	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.6	Medium Theatre 2 and Black Box Theatre 1	102%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.7	Black Box Theatres 2 and 3	98%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.8	Black Box Theatre 4	98%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	3.9	Piazzas	50%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	**Other Arts and Cultural Uses**		28%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	**Transport Facilities**																				
	5.1	Automated People Mover	60%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	5.2	Car parks	42%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	**Communal Facilities**																				
	6.1	Public Open Space	46%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	**Retail/Dining/Entertainment Facilities**		$3,229/sq.m.	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PHASE 2																					
8	**Performing Arts Facilities (Phase 2)**																				
	8.1	Great Theatre 2 and Medium Theatre 3	52%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	8.2	Medium Theatre 4	52%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	**M+ Phase 2**		48%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

West Kowloon Cultural District
Phasing (%) and Timing of Major Repair and Renovation Expenditure

		Total	No. of Times	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
PHASE 1																				
1	**Management and Masterplanning**																			
1.1	Masterplanning	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
1.2	Area and Project Management	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Museum and Exhibition Space**																			
2.1	M+	96%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	48%	0%	0%	0%	0%	0%	0%	0%
2.2	Exhibition Centre	94%	2	0%	0%	0%	0%	0%	0%	0%	0%	47%	0%	0%	0%	0%	0%	0%	0%	0%
3	**Performing Arts Facilities**																			
3.1	Mega Performance Venue	102%	2	0%	0%	0%	0%	0%	0%	0%	0%	51%	0%	0%	0%	0%	0%	0%	0%	0%
3.2	Great Theatre 1	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	52%	0%	0%	0%	0%	0%	0%	0%	0%
3.3	Concert Hall and Chamber Music Hall	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	52%	0%	0%	0%	0%	0%	0%	0%
3.4	Xiqu Centre	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	52%	0%	0%	0%	0%	0%	0%	0%
3.5	Medium Theatre 1	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	52%	0%	0%	0%	0%	0%	0%	0%	0%
3.6	Medium Theatre 2 and Black Box Theatre 1	102%	2	0%	0%	0%	0%	0%	0%	0%	0%	51%	0%	0%	0%	0%	0%	0%	0%	0%
3.7	Black Box Theatres 2 and 3	98%	2	0%	0%	0%	0%	0%	0%	0%	0%	49%	0%	0%	0%	0%	0%	0%	0%	0%
3.8	Black Box Theatre 4	98%	2	0%	0%	0%	0%	0%	0%	0%	0%	49%	0%	0%	0%	0%	0%	0%	0%	0%
3.9	Piazzas	50%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	**Other Arts and Cultural Uses**	28%	2	0%	0%	0%	0%	0%	0%	0%	0%	14%	0%	0%	0%	0%	0%	0%	0%	0%
5	**Transport Facilities**																			
5.1	Automated People Mover	60%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5.2	Car parks	42%	2	0%	0%	0%	0%	0%	0%	0%	0%	21%	0%	0%	0%	0%	0%	0%	0%	0%
6	**Communal Facilities**																			
6.1	Public Open Space	46%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	**Retail/Dining/Entertainment Facilities**	$3,229/sq.m.	3	$3,229/sq.m.	-	-	-	-	-	-	-	-	-	-	-	$3,229/sq.m.	-	-	-	-
PHASE 2																				
8	**Performing Arts Facilities (Phase 2)**																			
8.1	Great Theatre 2 and Medium Theatre 3	52%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8.2	Medium Theatre 4	52%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	**M+ Phase 2**	48%	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

West Kowloon Cultural District
Phasing (%) and Timing of Major Repair and Renovation Expenditure

			Total	No. of Times	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059
PHASE 1																						
1	**Management and Masterplanning**																					
	1.1	Masterplanning	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	1.2	Area and Project Management	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	**Museum and Exhibition Space**																					
	2.1	M+	96%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	48%	0%	0%	0%	0%	0%
	2.2	Exhibition Centre	94%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	47%	0%	0%	0%	0%	0%	0%
3	**Performing Arts Facilities**																					
	3.1	Mega Performance Venue	102%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	51%	0%	0%	0%	0%	0%	0%
	3.2	Great Theatre 1	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	52%	0%	0%	0%	0%	0%	0%
	3.3	Concert Hall and Chamber Music Hall	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	52%	0%	0%	0%	0%	0%
	3.4	Xiqu Centre	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	52%	0%	0%	0%	0%	0%
	3.5	Medium Theatre 1	104%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	52%	0%	0%	0%	0%	0%	0%
	3.6	Medium Theatre 2 and Black Box Theatre 1	102%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	51%	0%	0%	0%	0%	0%	0%
	3.7	Black Box Theatres 2 and 3	98%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	49%	0%	0%	0%	0%	0%	0%
	3.8	Black Box Theatre 4	98%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	49%	0%	0%	0%	0%	0%	0%
	3.9	Piazzas	50%	1	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4	**Other Arts and Cultural Uses**		28%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	14%	0%	0%	0%	0%	0%	0%
5	**Transport Facilities**																					
	5.1	Automated People Mover	60%	1	60%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	5.2	Car parks	42%	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	21%	0%	0%	0%	0%	0%	0%
6	**Communal Facilities**																					
	6.1	Public Open Space	46%	1	46%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	**Retail/Dining/Entertainment Facilities**		$3,229/sq.m.	3	-	-	-	-	-	-	-	$3,229/sq.m.	-	-	-	-	-	-	-	-	-	-
PHASE 2																						
8	**Performing Arts Facilities (Phase 2)**																					
	8.1	Great Theatre 2 and Medium Theatre 3	52%	1	0%	0%	0%	52%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	8.2	Medium Theatre 4	52%	1	0%	0%	0%	52%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	**M+ Phase 2**		48%	1	0%	0%	0%	0%	0%	0%	0%	0%	48%	0%	0%	0%	0%	0%	0%	0%	0%	0%

West Kowloon Cultural District

Capital Costs Analysed by Cost Element - 2008 NPV and MOD Cash Flows ($Million)

	Total		Breakdown of Cost Elements							
			Capitalized operating costs of WKCDA (incl. master planning)		Design, planning and construction		Periodic major repair and renovation		Museum collection etc. costs	
	2008 NPV	Total MOD	2008 NPV	Total MOD	2008 NPV	Total MOD	2008 NPV	Total MOD	2008 NPV	Total MOD
PHASE 1										
1 Management and Masterplanning	**(1,264)**	**(1,500)**	**(1,264)**	**(1,500)**	**0**	**0**	**0**	**0**	**0**	**0**
1.1 Masterplanning	(34)	(35)	(34)	(35)	-	-	-	-	-	-
1.2 Area and Project Management	(1,230)	(1,465)	(1,230)	(1,465)	-	-	-	-	-	-
2 Museum and Exhibition Space	**(4,801)**	**(12,156)**	**0**	**0**	**(2,656)**	**(3,536)**	**(514)**	**(4,031)**	**(1,630)**	**(4,590)**
2.1 M+	(4,266)	(10,884)	-	-	(2,215)	(2,963)	(421)	(3,331)	(1,630)	(4,590)
2.2 Exhibition Centre	(535)	(1,273)	-	-	(441)	(573)	(94)	(699)	-	-
3 Performing Arts Facilities	**(8,560)**	**(20,502)**	**0**	**0**	**(7,059)**	**(9,088)**	**(1,502)**	**(11,414)**	**0**	**0**
3.1 Mega Performance Venue	(2,706)	(6,442)	-	-	(2,218)	(2,797)	(488)	(3,645)	-	-
3.2 Great Theatre 1	(1,220)	(2,926)	-	-	(996)	(1,257)	(224)	(1,670)	-	-
3.3 Concert Hall and Chamber Music Hall	(1,421)	(3,507)	-	-	(1,177)	(1,574)	(244)	(1,933)	-	-
3.4 Xiqu Centre	(1,174)	(2,903)	-	-	(972)	(1,300)	(202)	(1,603)	-	-
3.5 Medium Theatre 1	(515)	(1,261)	-	-	(419)	(545)	(96)	(717)	-	-
3.6 Medium Theatre 2 and Black Box Theatre 1	(699)	(1,663)	-	-	(573)	(722)	(126)	(941)	-	-
3.7 Black Box Theatres 2 and 3	(320)	(766)	-	-	(263)	(342)	(57)	(424)	-	-
3.8 Black Box Theatre 4	(195)	(466)	-	-	(160)	(208)	(35)	(258)	-	-
3.9 Piazzas	(310)	(566)	-	-	(280)	(343)	(30)	(223)	-	-
4 Other Arts and Cultural Uses	**(331)**	**(561)**	**0**	**0**	**(309)**	**(402)**	**(21)**	**(160)**	**0**	**0**
5 Transport Facilities	**(1,049)**	**(2,001)**	**0**	**0**	**(934)**	**(1,144)**	**(115)**	**(857)**	**0**	**0**
5.1 Automated People Mover	(679)	(1,332)	-	-	(598)	(732)	(81)	(600)	-	-
5.2 Car parks	(370)	(669)	-	-	(336)	(411)	(35)	(258)	-	-
6 Communal Facilities	**(1,027)**	**(1,886)**	**0**	**0**	**(925)**	**(1,132)**	**(101)**	**(754)**	**0**	**0**
6.1 Public Open Space	(1,027)	(1,886)	-	-	(925)	(1,132)	(101)	(754)	-	-
	(17,032)	**(38,607)**	**(1,264)**	**(1,500)**	**(11,883)**	**(15,302)**	**(2,254)**	**(17,216)**	**(1,630)**	**(4,590)**
7 Retail/Dining/Entertainment Facilities	**(2,765)**	**(5,244)**	**0**	**0**	**(2,351)**	**(3,074)**	**(414)**	**(2,170)**	**0**	**0**
Phase 1 total	**(19,796)**	**(43,852)**	**(1,264)**	**(1,500)**	**(14,234)**	**(18,376)**	**(2,668)**	**(19,386)**	**(1,630)**	**(4,590)**
PHASE 2										
8 Performing Arts Facilities (Phase 2)	**(1,290)**	**(4,415)**	**0**	**0**	**(1,117)**	**(2,879)**	**(173)**	**(1,535)**	**0**	**0**
8.1 Great Theatre 2 and Medium Theatre 3	(986)	(3,359)	-	-	(855)	(2,189)	(132)	(1,170)	-	-
8.2 Medium Theatre 4	(303)	(1,056)	-	-	(262)	(691)	(41)	(366)	-	-
9 M+ (Phase 2)	**(483)**	**(2,304)**	**0**	**0**	**(346)**	**(1,225)**	**(50)**	**(598)**	**(87)**	**(481)**
Phase 2 total	**(1,773)**	**(6,719)**	**0**	**0**	**(1,463)**	**(4,105)**	**(223)**	**(2,134)**	**(87)**	**(481)**
TOTAL CAPITAL COSTS	**(21,569)**	**(50,571)**	**(1,264)**	**(1,500)**	**(15,697)**	**(22,480)**	**(2,891)**	**(21,520)**	**(1,717)**	**(5,071)**

( ) = Negative NPV / Value

Note:
All numbers are rounded to zero decimal place (i.e. nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.

West Kowloon Cultural District **Annex 3**

Breakdown of MOD Cash Flows of Capital Cost ($Million)

	NPV at 2008	Total MOD	Total capital costs ($Million MOD) 1st 10-year interval	2nd 10-year interval	3rd 10-year interval	4th 10-year interval	Final interval of 12 years
			2008 to 2017	2018 to 2027	2028 to 2037	2038 to 2047	2048 to 2059
	$Million	$Million	$Million	$Million	$Million	$Million	$Million
Capitalized WKCDA operating costs (including master planning) during the development of Phase 1 facilities	(1,264)	(1,500)	(1,500)	-	-	-	-
Construction costs (incl. land costs for the off-site storage & conservation laboratory for the M+)	(15,697)	(22,480)	(18,376) (covers all Phase 1 facilities)	(2,879) (covers Phase 2 PA venues)	(1,225) (covers Phase 2 M+)	-	-
Periodic major repair and renovation costs	(2,891)	(21,520)	-	(560) (covers RDE only)	(7,001) (covers Phase 1 CACF, OACF, public car parks and RDE)	(3,112) (covers piazzas, APM, public open space and Phase 2 PA venues)	(10,847) (covers Phase 1 CACF, OACF, public car parks, RDE and Phase 2 M+)
Museum collection, exhibition development, conservation laboratory equipment and library set up costs	(1,717)	(5,071)	(1,505) (includes initial collection of $1 billion at 2006 prices)	(296)	(888)	(1,149)	(1,233)
Total	**(21,569)**	**(50,571)**	**(21,380)**	**(3,736)**	**(9,114)**	**(4,261)**	**(12,079)**

( ) = Negative NPV / Value

Note:
All numbers are rounded to zero decimal place (i.e. nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.

Annex 4

West Kowloon Cultural District

Capitalized Operating Costs of the WKCDA (including Master Planning) - in 2008 NPV and MOD Cash Flows ($Million)

			MOD						
	2008 NPV	Total MOD	2008	2009	2010	2011	2012	2013	2014
Capitalized costs									
Master planning	(34)	(35)	(17)	(18)	-	-	-	-	-
WKCDA costs	(1,230)	(1,465)	(197)	(201)	(205)	(209)	(213)	(218)	(222)
Total	(1,264)	(1,500)	(214)	(219)	(205)	(209)	(213)	(218)	(222)

( ) = Negative NPV / Value

Note:

All numbers are rounded to zero decimal place (i.e. nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.

West Kowloon Cultural District

Details of Construction Costs (in 2006 Prices)

	(a)	(b)	(c) = (a) x (b)	(d)	(e) = (c) x (d)	(f)				(g) = (e) x (f) x 0.000001		(h)	(i) = (g) x (h)	(j)	(k)	(l) = (i) x [(j)+(k)]	(m)	(n) = (i)+(l)+(m)	(o)	(p) = (n)x(o)	(q) = (n)+(p)
	Floor Area					Initial Construction Cost (Note 4)								Professional Fees and Contract Management Costs (Note 5)							
							Breakdown of Unit Construction Cost														
	Net Operating Floor Area (NOFA)	NOFA to GFA	Gross Floor Area (GFA)	GFA to CFA	Construction Floor Area (CFA) (Note 2)	Unit Construction Cost	Foundation	Building construction	Fitting out	Unadjusted Total Construction Cost	Construction Period	Inflation Adjustment	Adjusted Total Construction Cost	Professional Fees	Contract Management Costs	Total	Other Costs	Total Construction Cost (before risk premium)	Construction Risk Premium (Note 6)		Risk Adjusted Total Construction Cost
	sq m	ratio (1 to x)	sq m	ratio (1 to x)	sq m	$/sq m CFA (in 2006 prices)	$ per sq.m. (in 2006 prices)	$ per sq.m. (in 2006 prices)	$ per sq.m. (in 2006 prices)	$ Million (in 2006 prices) (Note 1)	No of Years	Index (rounded to 2 decimal points)	$ Million (in 2006 prices) (Note 1)	%	%	$ Million (in 2006 prices) (Note 1)	$ Million (in 2006 prices) (Note 1)	$ Million (in 2006 prices) (Note 1)	%	$ Million (in 2006 prices) (Note 1)	$ Million (in 2006 prices) (Note 1)
PHASE 1																					
2 Museum and Exhibition Space																					
2.1 Museum (Phase 1)																					
M+	28,910	1.5	43,365	1.3	56,375	24,200	4,200	14,000	6,000	1,364	5	0.96	1,313	11.1%	9.0%	264		1,576	29.2%	460	2,037
Off-site storage and conservation labouratory	14,000	1.2	16,800	1.2	20,160	15,000	2,000	8,000	5,000	302	5	0.96	291	11.1%	9.0%	58	73 (Land Cost)	422	29.2%	123	545
2.2 Exhibition Centre	10,000	1.25	12,500	1.3	16,250	22,200	4,200	12,600	5,400	361	4	0.97	351	9.0%	8.0%	60		410	23.0%	94	505
3 Performing Arts Facilities																					
3.1 Mega Performance Venue	36,710	1.4	51,394	1.3	66,812	26,200	4,200	14,300	7,700	1,750	5	0.96	1,684	12.0%	8.0%	337		2,021	23.0%	465	2,486
3.2 Great Theatre 1	14,800	1.4	20,720	1.3	26,936	29,200	4,200	16,250	8,750	787	5	0.96	757	12.0%	8.0%	151		908	23.0%	209	1,117
3.3 Concert Hall and Chamber Music Hall	16,800	1.4	23,520	1.3	30,576	29,200	4,200	16,250	8,750	893	5	0.96	859	14.6%	9.0%	203		1,062	29.2%	310	1,372
3.4 Xiqu Centre	14,955	1.4	20,937	1.3	27,218	27,200	4,200	14,950	8,050	740	5	0.96	712	14.1%	9.0%	165		877	29.2%	256	1,133
3.5 Medium Theatre 1	6,750	1.4	9,450	1.3	12,285	27,200	4,200	14,950	8,050	334	4	0.97	325	12.0%	8.0%	65		390	23.0%	90	479
3.6 Medium Theatre 2 and Black Box Theatre 1	9,480	1.4	13,272	1.3	17,254	26,200	4,200	14,300	7,700	452	5	0.96	435	12.0%	8.0%	87		522	23.0%	120	642
3.7 Black Box Theatres 2 and 3	5,195	1.4	7,273	1.3	9,455	22,200	4,200	11,700	6,300	210	4	0.97	204	12.0%	8.0%	41		245	23.0%	56	301
3.8 Black Box Theatre 4	3,160	1.4	4,424	1.3	5,751	22,200	4,200	11,700	6,300	128	4	0.97	124	12.0%	8.0%	25		149	23.0%	34	183
3.9 Piazzas																					
Piazzas					30,000	5,500				165	4	0.97	160	6.5%	8.0%	23		184	23.0%	42	226
Small canopy					10,000	6,000				60	4	0.97	58	6.5%	8.0%	8		67	23.0%	15	82
4 Other Arts and Cultural Uses			15,000	1.3	19,500	14,200	4,200	10,000		277	4	0.97	269	6.2%	8.0%	38		307	15.0%	46	353
5 Transport Facilities																					
5.1 Automated People Mover										504	4	0.97	490	5.8%	11.0%	82		572	15.0%	86	658
5.2 Car parks																					
Public Car Parks (basement)					9,526	11,200				107	4	0.97	104	3.0%	8.0%	11		115	15.0%	17	132
Public Car Parks (podium)					19,958	4,000				80	4	0.97	78	3.0%	8.0%	8		86	15.0%	13	99
Public Car Parks (basement shared foundation)					15,876	7,000				111	4	0.97	108	3.0%	8.0%	12		120	15.0%	18	138
6 Communal Facilities																					
6.1 Public Open Space																					
Public Open Space (at -grade)					170,000	3,500				595	4	0.97	578	2.1%	8.0%	58		636	15.0%	95	732
Public Open Space (terraces)					50,000	4,500				225	4	0.97	219	2.1%	8.0%	22		241	15.0%	36	277
Contingency space (soft landscaping)			3,340	1.0	3,340	2,000				7	4	0.97	6	2.1%	8.0%	1		7	15.0%	1	8
7 Retail/Dining/Entertainment													2,232	6.0%		134		2,365	15.0%	335	2,700
																					<see Note 3 below>
PHASE 2																					
8 Performing Arts (Phase 2)																					
8.1 Great Theatre 2 and Medium Theatre 3	20,325	1.4	28,455	1.3	36,992	29,200	4,200	16,250	8,750	1,080	5	0.96	1,039	12.0%	8.0%	208		1,247	23.0%	287	1,534
8.2 Medium Theatre 4	6,750	1.4	9,450	1.3	12,285	27,200	4,200	14,950	8,050	334	4	0.97	325	12.0%	8.0%	65		390	23.0%	90	479
9 Museum and Exhibition (Phase 2)																					
9.0 M+ (phase 2)	12,390	1.5	18,585	1.3	24,161	22,200	4,200	14,000	4,000	536	4	0.97	521	11.1%	9.0%	105		626	23.0%	144	770

Note: (1) Figure in 2006 prices, rounded to nearest $ million.

(2) Refers to floor area for piazzas and public open space.

(3) Breakdown of RDE construction costs:

RDE Construction Costs

	Area (GFA)	Unit Cost (in 2006 prices) (Note 7)	Cost ($M) (in 2006 prices)
Shops	119,000 sq.m.	$18,198 / sq.m.	2,166
Car Parking (Podium)	298 spaces	$140,000 / space	42
Car Parking (Basement)	99 spaces	$245,000 / space	24
		Sub Total	2,232
Professional Fees (6%)	$2,232 million x 0.06		134
Contingency (15%)	$2,232 million x 0.15		335
		Total Construction Cost	2,700

(4) Please refer to Annexes C (M+ and Exhibition Centre), D (performing arts venues, piazzas and small canopy), E (APM and public car parks) and F (other arts and cultural facilities, and public open space) of the Financial Advisor's Final Report dated April 2007 for the unit construction costs / construction costs of respective facilities adopted.

(5) Annex G of Financial Advisor's Final Report dated April 2007 refers.

(6) Annex J of Financial Advisor's Final Report dated April 2007 refers.

(7) Annex L of Financial Advisor's Final Report dated April 2007 refers.

West Kowloon Cultural District

Details of Construction Costs in 2008 NPV and MOD Cash Flows ($Million)

	Risk Adjusted Total Construction Cost $ Million (in 2006 prices)	2008 NPV	Total MOD	MOD 2008	2009	2010	2011	2012	2013	2014	2015	2016-2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032-2059
PHASE 1																							
2 Museum and Exhibition Space																							
2.1 Museum (Phase 1)																							
M+	**2,037**	(1,747)	(2,337)	-	-	-	(157)	(528)	(983)	(597)	(73)	-	-	-	-	-	-	-	-	-	-	-	-
Off-site storage and conservation laboratory	**545**	(468)	(626)	-	-	-	(42)	(141)	(263)	(160)	(20)	-	-	-	-	-	-	-	-	-	-	-	-
M+ (Phase 1) total		***(2,215)***	***(2,963)***	**-**	**-**	**-**	***(200)***	***(669)***	***(1,246)***	***(756)***	***(93)***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.2 Exhibition Centre	**505**	(441)	(573)	-	-	-	(39)	(261)	(255)	(18)	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Performing Arts Facilities																							
3.1 Mega Performance Venue	**2,486**	(2,218)	(2,797)	-	-	(188)	(631)	(1,176)	(714)	(87)	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Great Theatre 1	**1,117**	(996)	(1,257)	-	-	(85)	(284)	(528)	(321)	(39)	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3 Concert Hall and Chamber Music Hall	**1,372**	(1,177)	(1,574)	-	-	-	(106)	(355)	(662)	(402)	(49)	-	-	-	-	-	-	-	-	-	-	-	-
3.4 Xiqu Centre	**1,133**	(972)	(1,300)	-	-	-	(88)	(293)	(547)	(332)	(41)	-	-	-	-	-	-	-	-	-	-	-	-
3.5 Medium Theatre 1	**479**	(419)	(545)	-	-	-	(37)	(248)	(242)	(17)	-	-	-	-	-	-	-	-	-	-	-	-	-
3.6 Medium Theatre 2 and Black Box Theatre 1	**642**	(573)	(722)	-	-	(49)	(163)	(304)	(184)	(23)	-	-	-	-	-	-	-	-	-	-	-	-	-
3.7 Black Box Theatres 2 and 3	**301**	(263)	(342)	-	-	-	(23)	(156)	(152)	(11)	-	-	-	-	-	-	-	-	-	-	-	-	-
3.8 Black Box Theatre 4	**183**	(160)	(208)	-	-	-	(14)	(95)	(93)	(6)	-	-	-	-	-	-	-	-	-	-	-	-	-
3.9 Piazzas																							
Piazzas	**226**	(206)	(252)	-	-	(17)	(115)	(112)	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Small canopy	**82**	(75)	(91)	-	-	(6)	(42)	(41)	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Piazzas (total)		*(280)*	*(343)*	-	-	*(23)*	*(156)*	*(153)*	*(11)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Other Arts and Cultural Uses	**353**	(309)	(402)	-	-	-	(27)	(183)	(179)	(12)	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Transport Facilities																							
5.1 Automated People Mover	**658**	(598)	(732)	-	-	(50)	(334)	(326)	(23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2 Car parks																							
Public Car Parks (basement)	**132**	(120)	(147)	-	-	(10)	(67)	(66)	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Car Parks (podium)	**99**	(90)	(110)	-	-	(8)	(50)	(49)	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Car Parks (basement shared foundation)	**138**	(125)	(153)	-	-	(10)	(70)	(68)	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Car Park (total)		*(336)*	*(411)*	-	-	*(28)*	*(187)*	*(183)*	*(13)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Communal Facilities																							
6.1 Public Open Space																							
Public Open Space (at -grade)	**732**	(666)	(815)	-	-	(55)	(372)	(363)	(25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Open Space (terraces)	**277**	(252)	(308)	-	-	(21)	(141)	(137)	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency space (soft landscaping)	**8**	(7)	(9)	-	-	(1)	(4)	(4)	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Open Space (total)		*(925)*	*(1,132)*	-	-	*(77)*	*(516)*	*(504)*	*(35)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Retail/Dining/Entertainment	**2,700**	(2,351)	(3,074)	-	-	-	-	(1,475)	(1,504)	(95)	-	-	-	-	-	-	-	-	-	-	-	-	-
PHASE 2																							
8 Performing Arts (Phase 2)																							
8.1 Great Theatre 2 and Medium Theatre 3	**1,534**	(855)	(2,189)	-	-	-	-	-	-	-	-	-	(147)	(494)	(920)	(559)	(68)	-	-	-	-	-	-
8.2 Medium Theatre 4	**479**	(262)	(691)	-	-	-	-	-	-	-	-	-	-	(47)	(315)	(307)	(21)	-	-	-	-	-	-
9 Museum and Exhibition (Phase 2)																							
9.0 M+ (phase 2)	**770**	(346)	(1,225)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(83)	(559)	(545)	(38)	-
TOTAL		**(15,697)**	**(22,480)**	**-**	**-**	**(500)**	**(2,806)**	**(6,909)**	**(6,179)**	**(1,798)**	**(182)**	**-**	**(147)**	**(541)**	**(1,235)**	**(866)**	**(90)**	**-**	**(83)**	**(559)**	**(545)**	**(38)**	**-**

( ) = Negative NPV / Value

Note:
All numbers are rounded to zero decimal place (i.e. nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.

West Kowloon Cultural District

Major Repair and Renovation Costs (2006 Prices)

		(a)	(b)	(c) = (a) x (b)		
		Initial Construction Cost (excl. professional fees and contract management costs)(Column (i) of Annex 5(a) refers)	**Major Overhaul Costs as % of Initial Construction Cost (Note 2)**	**Total Costs per Major Overhaul**	**Major Overhaul Cycle**	**Year of Major Overhaul Carried Out**
		$ Million (in 2006 prices) - (Note 1)	**%**	**$ Million (in 2006 prices) - (Note 1)**	**Carry out every**	**Year(s)**
PHASE 1						
1	**Management and Masterplanning**					
1.1	Masterplanning					
1.2	Area and Project Management					
2	**Museum and Exhibition Space**					
2.1	M+ (on-site)	1,313	48%	630	20 years	2034, 2054
	(off-site storage and conservatory laboratory)	291	48%	140	20 years	2034, 2054
2.2	Exhibition Centre	351	47%	165	20 years	2033, 2053
3	**Performing Arts Facilities**					
3.1	Mega Performance Venue	1,684	51%	859	20 years	2033, 2053
3.2	Great Theatre 1	757	52%	394	20 years	2033, 2053
3.3	Concert Hall and Chamber Music Hall	859	52%	447	20 years	2034, 2054
3.4	Xiqu Centre	712	52%	370	20 years	2034, 2054
3.5	Medium Theatre 1	325	52%	169	20 years	2033, 2053
3.6	Medium Theatre 2 and Black Box Theatre 1	435	51%	222	20 years	2033, 2053
3.7	Black Box Theatres 2 and 3	204	49%	100	20 years	2033, 2053
3.8	Black Box Theatre 4	124	49%	61	20 years	2033, 2053
3.9	Piazzas	219	50%	109	30 years	2042
4	**Other Arts and Cultural Uses**	269	14%	38	20 years	2033, 2053
5	**Transport Facilities**					
5.1	Automated People Mover	490	60%	294	30 years	2042
5.2	Car parks	289	21%	61	20 years	2033, 2053
6	**Communal Facilities**					
6.1	Public Open Space	804	46%	370	30 years	2042
7	**Retail/Dining/Entertainment Facilities**		$300/sq.ft. GFA (or $3,229/sq.m.)	384 #	12 years	2025, 2037, 2049
PHASE 2						
8	**Performing Arts Facilities (Phase 2)**					
8.1	Great Theatre 2 and Medium Theatre 3	1,039	52%	540	20 years	2045
8.2	Medium Theatre 4	325	52%	169	20 years	2045
9	**M+ (Phase 2)**	521	48%	250	20 years	2050

Assumed major overhaul costs at $300/sq.ft. GFA (i.e. 119,000 sq.m. x $300/sq.ft. x 10.764 x 0.000001)

Note: (1)Figure in 2006 prices, rounded to zero decimal point (i.e. nearest $million)
(2) Annexes C to F and L of Financial Advisor's Final Report dated April 2007 refer.

West Kowloon Cultural District

Major Repair and Renovation Costs - in 2008 NPV and MOD Cash Flows ($Million)

	2008 NPV	Total MOD	MOD 2006 - 2024	2025	2026 - 2032	2033	2034	2035 - 2036	2037	2038 - 2041	2042	2043 - 2044	2045	2046 - 2048	2049	2050	2051 - 2052	2053	2054	2055 - 2059
PHASE 1																				
1 Management and Masterplanning																				
1.1 Masterplanning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Area and Project Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Museum and Exhibition Space																				
2.1 M+ (on-site)	(344)	(2,727)	-	-	-	-	(1,097)	-	-	-	-	-	-	-	-	-	-	-	(1,630)	-
M+ (off-site storage and conservation laboratory)	(76)	(604)	-	-	-	-	(243)	-	-	-	-	-	-	-	-	-	-	-	(361)	-
M+ total	(421)	(3,331)	-	-	-	-	(1,340)	-	-	-	-	-	-	-	-	-	-	-	(1,991)	-
2.2 Exhibition Centre	(94)	(699)	-	-	-	(281)	-	-	-	-	-	-	-	-	-	-	-	(418)	-	-
3 Performing Arts Facilities																				
3.1 Mega Performance Venue	(488)	(3,645)	-	-	-	(1,466)	-	-	-	-	-	-	-	-	-	-	-	(2,179)	-	-
3.2 Great Theatre 1	(224)	(1,670)	-	-	-	(672)	-	-	-	-	-	-	-	-	-	-	-	(998)	-	-
3.3 Concert Hall and Chamber Music Hall	(244)	(1,933)	-	-	-	-	(778)	-	-	-	-	-	-	-	-	-	-	-	(1,156)	-
3.4 Xiqu Centre	(202)	(1,603)	-	-	-	-	(645)	-	-	-	-	-	-	-	-	-	-	-	(958)	-
3.5 Medium Theatre 1	(96)	(717)	-	-	-	(288)	-	-	-	-	-	-	-	-	-	-	-	(428)	-	-
3.6 Medium Theatre 2 and Black Box Theatre 1	(126)	(941)	-	-	-	(379)	-	-	-	-	-	-	-	-	-	-	-	(563)	-	-
3.7 Black Box Theatres 2 and 3	(57)	(424)	-	-	-	(171)	-	-	-	-	-	-	-	-	-	-	-	(254)	-	-
3.8 Black Box Theatre 4	(35)	(258)	-	-	-	(104)	-	-	-	-	-	-	-	-	-	-	-	(154)	-	-
3.9 Piazzas	(30)	(223)	-	-	-	-	-	-	-	-	(223)	-	-	-	-	-	-	-	-	-
4 Other Arts and Cultural Uses	(21)	(160)	-	-	-	(64)	-	-	-	-	-	-	-	-	-	-	-	(96)	-	-
5 Transport Facilities																				
5.1 Automated People Mover	(81)	(600)	-	-	-	-	-	-	-	-	(600)	-	-	-	-	-	-	-	-	-
5.2 Car parks	(35)	(258)	-	-	-	(104)	-	-	-	-	-	-	-	-	-	-	-	(154)	-	-
6 Communal Facilities																				
6.1 Public Open Space	(101)	(754)	-	-	-	-	-	-	-	-	(754)	-	-	-	-	-	-	-	-	-
7 Retail/Dining/Entertainment Facilities	(414)	(2,170)	-	(560)	-	-	-	-	(710)	-	-	-	-	-	(900)	-	-	-	-	-
PHASE 2																				
8 Performing Arts Facilities (Phase 2)																				
8.1 Great Theatre 2 and Medium Theatre 3	(132)	(1,170)	-	-	-	-	-	-	-	-	-	-	(1,170)	-	-	-	-	-	-	-
8.2 Medium Theatre 4	(41)	(366)	-	-	-	-	-	-	-	-	-	-	(366)	-	-	-	-	-	-	-
9 M+ (Phase 2)	(50)	(598)	-	-	-	-	-	-	-	-	-	-	-	-	-	(598)	-	-	-	-
Total	(2,891)	(21,520)	-	(560)	-	(3,528)	(2,763)	-	(710)	-	(1,577)	-	(1,535)	-	(900)	(598)	-	(5,243)	(4,105)	-

( ) = Negative NPV / Value

Note:
All numbers are rounded to zero decimal place (i.e. nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.

West Kowloon Cultural District

Museum Collection and Other Costs for the M+ - in 2008 NPV and MOD Cash Flows ($Million)

	2008 NPV	Total MOD	MOD 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Phase 1 M+:																					
Other capital :-																					
Collection :																					
Initial collection - $1 billion (in 2006 prices)	(873)	(1,138)	-	-	-	(276)	(282)	(287)	(293)	-	-	-	-	-	-	-	-	-	-	-	-
Annual collection @ $20m (in 2006 prices) from 2015 onwards)	(341)	(1,718)	-	-	-	-	-	-	-	(24)	(24)	(25)	(25)	(26)	(26)	(27)	(27)	(28)	(29)	(29)	(30)
Total collection costs	(1,214)	(2,856)	-	-	-	(276)	(282)	(287)	(293)	(24)	(24)	(25)	(25)	(26)	(26)	(27)	(27)	(28)	(29)	(29)	(30)
Exhibition development :																					
Initial - $204 milion (in 2006 prices)	(178)	(232)	-	-	-	(56)	(57)	(59)	(60)	-	-	-	-	-	-	-	-	-	-	-	-
Periodic once every 15 years thereafter ($204 million in 2006 prices)	(174)	(1,337)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exhibition development costs	(352)	(1,569)	-	-	-	(56)	(57)	(59)	(60)	-	-	-	-	-	-	-	-	-	-	-	-
Conservation laboratory equipment :																					
Initial - $26 million (in 2006 prices)	(23)	(30)	-	-	-	(7)	(7)	(8)	(8)	-	-	-	-	-	-	-	-	-	-	-	-
Periodic once every 10 years thereafter ($13 milion in 2006 prices)	(18)	(102)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19)	-	-
Total conservation laboratory equipment costs	(41)	(132)	-	-	-	(7)	(7)	(8)	(8)	-	-	-	-	-	-	-	-	-	(19)	-	-
Library set up costs :	(24)	(32)	-	-	-	(8)	(8)	(8)	(8)	-	-	-	-	-	-	-	-	-	-	-	-
Total library set up costs	(24)	(32)	-	-	-	(8)	(8)	(8)	(8)	-	-	-	-	-	-	-	-	-	-	-	-
Total museum collection and other costs	**(1,630)**	**(4,590)**	**-**	**-**	**-**	**(347)**	**(354)**	**(361)**	**(369)**	**(24)**	**(24)**	**(25)**	**(25)**	**(26)**	**(26)**	**(27)**	**(27)**	**(28)**	**(47)**	**(29)**	**(30)**
Phase 2 M+:																					
Other capital :-																					
Exhibition development :																					
Initial - $128 milion (in 2006 prices)	(56)	(205)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Periodic once every 15 years thereafter ($128 million in 2006 prices)	(31)	(276)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exhibition development costs	**(87)**	**(481)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (Phases 1 and 2)	**(1,717)**	**(5,071)**	**-**	**-**	**-**	**(347)**	**(354)**	**(361)**	**(369)**	**(24)**	**(24)**	**(25)**	**(25)**	**(26)**	**(26)**	**(27)**	**(27)**	**(28)**	**(47)**	**(29)**	**(30)**

( ) = Negative NPV / Value

Note: All numbers are rounded to zero decimal place (i.e. nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.

West Kowloon Cultural District

Museum Collection and Other Costs for the M+ - in 2008 NPV and MOD Cash Flows ($Million)

	2008 NPV	Total MOD	MOD 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Phase 1 M+:																					
Other capital :-																					
Collection :																					
Initial collection - $1 billion (in 2006 prices)	(873)	(1,138)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual collection @ $20m (in 2006 prices) from 2015 onwards)	(341)	(1,718)	(30)	(31)	(32)	(32)	(33)	(33)	(34)	(35)	(36)	(36)	(37)	(38)	(38)	(39)	(40)	(41)	(42)	(42)	(43)
Total collection costs	(1,214)	(2,856)	(30)	(31)	(32)	(32)	(33)	(33)	(34)	(35)	(36)	(36)	(37)	(38)	(38)	(39)	(40)	(41)	(42)	(42)	(43)
Exhibition development :																					
Initial - $204 milion (in 2006 prices)	(178)	(232)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Periodic once every 15 years thereafter ($204 million in 2006 prices)	(174)	(1,337)	-	-	(322)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(433)	-
Total exhibition development costs	(352)	(1,569)	-	-	(322)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(433)	-
Conservation laboratory equipment :																					
Initial - $26 million (in 2006 prices)	(23)	(30)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Periodic once every 10 years thereafter ($13 milion in 2006 prices)	(18)	(102)	-	-	-	-	-	-	-	(23)	-	-	-	-	-	-	-	-	-	(28)	-
Total conservation laboratory equipment costs	(41)	(132)	-	-	-	-	-	-	-	(23)	-	-	-	-	-	-	-	-	-	(28)	-
Library set up costs :	(24)	(32)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total library set up costs	(24)	(32)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total museum collection and other costs	**(1,630)**	**(4,590)**	**(30)**	**(31)**	**(353)**	**(32)**	**(33)**	**(33)**	**(34)**	**(57)**	**(36)**	**(36)**	**(37)**	**(38)**	**(38)**	**(39)**	**(40)**	**(41)**	**(42)**	**(503)**	**(43)**
Phase 2 M+:																					
Other capital :-																					
Exhibition development :																					
Initial - $128 milion (in 2006 prices)	(56)	(205)	-	-	-	(205)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Periodic once every 15 years thereafter ($128 million in 2006 prices)	(31)	(276)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(276)
Total exhibition development costs	**(87)**	**(481)**	**-**	**-**	**-**	**(205)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(276)**
Total (Phases 1 and 2)	**(1,717)**	**(5,071)**	**(30)**	**(31)**	**(353)**	**(237)**	**(33)**	**(33)**	**(34)**	**(57)**	**(36)**	**(36)**	**(37)**	**(38)**	**(38)**	**(39)**	**(40)**	**(41)**	**(42)**	**(503)**	**(319)**

( ) = Negative NPV / Value

Note: All numbers are rounded to zero decimal place (i.e. nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.

West Kowloon Cultural District

Museum Collection and Other Costs for the M+ - in 2008 NPV and MOD Cash Flows ($Million)

			MOD													
	2008 NPV	Total MOD	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059
Phase 1 M+:																
Other capital :-																
Collection :																
Initial collection - $1 billion (in 2006 prices)	(873)	(1,138)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual collection @ $20m (in 2006 prices) from 2015 onwards)	(341)	(1,718)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)
Total collection costs	(1,214)	(2,856)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)
Exhibition development :																
Initial - $204 milion (in 2006 prices)	(178)	(232)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Periodic once every 15 years thereafter ($204 million in 2006 prices)	(174)	(1,337)	-	-	-	-	-	-	-	-	-	-	-	-	-	(583)
Total exhibition development costs	(352)	(1,569)	-	-	-	-	-	-	-	-	-	-	-	-	-	(583)
Conservation laboratory equipment :																
Initial - $26 million (in 2006 prices)	(23)	(30)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Periodic once every 10 years thereafter ($13 milion in 2006 prices)	(18)	(102)	-	-	-	-	-	-	-	-	(34)	-	-	-	-	-
Total conservation laboratory equipment costs	(41)	(132)	-	-	-	-	-	-	-	-	(34)	-	-	-	-	-
Library set up costs :	(24)	(32)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total library set up costs	(24)	(32)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total museum collection and other costs	**(1,630)**	**(4,590)**	**(44)**	**(45)**	**(46)**	**(47)**	**(48)**	**(49)**	**(50)**	**(51)**	**(85)**	**(53)**	**(54)**	**(55)**	**(56)**	**(640)**
Phase 2 M+:																
Other capital :-																
Exhibition development :																
Initial - $128 milion (in 2006 prices)	(56)	(205)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Periodic once every 15 years thereafter ($128 million in 2006 prices)	(31)	(276)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exhibition development costs	**(87)**	**(481)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (Phases 1 and 2)	**(1,717)**	**(5,071)**	**(44)**	**(45)**	**(46)**	**(47)**	**(48)**	**(49)**	**(50)**	**(51)**	**(85)**	**(53)**	**(54)**	**(55)**	**(56)**	**(640)**

( ) = Negative NPV / Value

Note: All numbers are rounded to zero decimal place (i.e. nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.

Annex 8

West Kowloon Cultural District

Breakdown of Land Revenue - Valuation and NPV

Land use	GFA	Land Valuation based on Market Situation as at end 2006		Estimated Land Revenue in 2008 NPV (see Note 2)
		Accommodation value (Note 3)	Land value	
	sq. m.	$ per sq. m.	$Million	$Million
			(Note 1)	**(Note 1)**
	(a)	(b)	(c) = (a) X (b) /1,000,000	(d)
Residential	**145,257**	**n/a**	**18,131**	**17,440**
Villa houses	10,000	190,000	1,900	1,828
Apartments	135,257	120,000	16,231	15,613
Hotels	**56,000**	**20,179**	**1,130**	**1,087**
Office	**107,683**	**26,652**	**2,870**	**2,761**
TOTAL	**308,940**	**n/a**	**22,131**	**21,288**

Note

(1) All numbers are rounded to zero decimal place (i.e. nearest $million). The table totals presented therefore may not add up due to rounding.

(2) Land disposal is expected to happen in 2010 and the said land revenue proceeds are expected to be received in that year. The FA assumed that the land revenue will escalate in line with inflation and the land revenue in NPV terms at year 2008 is $21.288 billion which is arrived at by discounting the expected land revenue proceeds in 2010 (in MOD prices) to present day values equivalent at year 2008 by using a nominal discount rate of 6.1% per annum.

(3) Annex H of Financial Advisor's Final Report (April 2007) refers.

West Kowloon Cultural District
Retail/Dining/Entertainment (RDE) Net Rental Income ($Million)

Annex 9

Parameters/Assumptions

RDE GFA	119,000	sq.m.
Net Monthly Rental	$30	per sq.ft. GFA (or $3,875 per sq.m. per annum) (2006 prices)(Note 3)
Car Parking	397	spaces
Net Monthly Carpark Rental	$2,500	per space (2006 prices)(Note 3)
Annual Net Rental Income	473	$ million (2006 prices) ($3,875 x 119,000 sq.m. + $2,500 x 397 spaces x 12 months)

	2008 NPV	Total MOD	MOD																															
			2008-2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Net Rental Income	8,448	41,197	-	554	565	577	588	600	612	624	637	649	662	676	689	703	717	731	746	761	776	792	807	824	840	857	874	891	909	927	946	965	984	1,004	1,024

Note:
(1) All numbers are rounded to zero decimal place (i.e. nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.
(2) Rental income is net of rates and Government rents, property / profit tax and other expenses.
(3) Annex L of Financial Advisor's Final Report dated April 2007 refers.

West Kowloon Cultural District
Retail/Dining/Entertainment (RDE) Net Rental Income ($Million)

	2008 NPV	Total MOD	MOD													
			2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059
Net Rental Income	8,448	41,197	1,044	1,065	1,087	1,108	1,131	1,153	1,176	1,200	1,224	1,248	1,273	1,299	1,325	1,351

West Kowloon Cultural District

Operating Surpluses/Deficits (Excl. RDE) in NPV and MOD Cash Flows ($ Million) and Operating Cost Recovery Rates by Facility

	Operating cost recovery rate of CACF (%) (Note 2) (Reference year: Year 10 after commencement of operation)	2008 NPV	Total MOD	MOD																	
				2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PHASE 1																					
1 Management and Masterplanning		**(1,015)**	**(5,118)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(71)**	**(73)**	**(74)**	**(76)**	**(77)**	**(79)**	**(80)**	**(82)**	**(83)**	**(85)**	**(87)**
1.1 Masterplanning		0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Area and Project Management		(1,015)	(5,118)	-	-	-	-	-	-	-	(71)	(73)	(74)	(76)	(77)	(79)	(80)	(82)	(83)	(85)	(87)
2 Museum and Exhibition Space		**(5,011)**	**(24,373)**	**0**	**0**	**0**	**0**	**0**	**(17)**	**(202)**	**(353)**	**(370)**	**(371)**	**(371)**	**(374)**	**(380)**	**(387)**	**(394)**	**(401)**	**(409)**	**(416)**
2.1 M+	18%	(5,292)	(26,007)	-	-	-	-	-	-	(213)	(362)	(381)	(385)	(388)	(392)	(399)	(407)	(416)	(424)	(432)	(441)
2.2 Exhibition Centre	142%	281	1,633	-	-	-	-	-	(17)	11	9	11	14	17	18	19	20	22	23	24	25
3 Performing Arts Facilities		**(128)**	**1,433**	**0**	**0**	**0**	**0**	**0**	**(126)**	**(97)**	**(78)**	**(73)**	**(52)**	**(31)**	**(21)**	**(16)**	**(12)**	**(7)**	**(2)**	**1**	**4**
3.1 Mega Performance Venue	149%	1,014	5,916	-	-	-	-	-	(46)	40	33	42	50	60	63	67	71	75	79	82	86
3.2 Great Theatre 1	101%	(5)	338	-	-	-	-	-	(35)	(9)	(13)	(9)	(6)	(2)	(2)	(1)	(0)	0	1	2	2
3.3 Concert Hall and Chamber Music Hall	83%	(307)	(1,190)	-	-	-	-	-	-	(52)	(31)	(36)	(32)	(28)	(23)	(23)	(23)	(22)	(22)	(21)	(21)
3.4 Xiqu Centre	82%	(213)	(855)	-	-	-	-	-	-	(32)	(20)	(23)	(21)	(19)	(16)	(16)	(16)	(16)	(15)	(15)	(15)
3.5 Medium Theatre 1	66%	(159)	(700)	-	-	-	-	-	(14)	(12)	(13)	(12)	(12)	(11)	(11)	(11)	(11)	(11)	(11)	(12)	(12)
3.6 Medium Theatre 2 and Black Box Theatre 1	64%	(213)	(946)	-	-	-	-	-	(17)	(16)	(17)	(16)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(16)	(16)
3.7 Black Box Theatres 2 and 3	51%	(140)	(646)	-	-	-	-	-	(9)	(10)	(10)	(10)	(10)	(9)	(10)	(10)	(10)	(10)	(10)	(11)	(11)
3.8 Black Box Theatre 4	41%	(104)	(484)	-	-	-	-	-	(5)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(8)	(8)	(8)	(8)
3.9 Piazzas	100%	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(assumed breakeven)																			
4 Other Arts and Cultural Uses		**0**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		(assumed breakeven)																			
5 Transport Facilities		**179**	**838**	**0**	**0**	**0**	**0**	**0**	**11**	**11**	**12**	**12**	**12**	**12**	**13**	**13**	**13**	**13**	**14**	**14**	**14**
5.1 Automated People Mover		0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(assumed breakeven)																			
5.2 Car parks		179	838	-	-	-	-	-	11	11	12	12	12	12	13	13	13	13	14	14	14
6 Communal Facilities		**(537)**	**(2,529)**	**-**	**-**	**-**	**-**	**-**	**(33)**	**(34)**	**(34)**	**(35)**	**(36)**	**(37)**	**(37)**	**(38)**	**(39)**	**(40)**	**(40)**	**(41)**	**(42)**
6.1 Public Open Space		(537)	(2,529)	-	-	-	-	-	(33)	(34)	(34)	(35)	(36)	(37)	(37)	(38)	(39)	(40)	(40)	(41)	(42)
Subtotal		**(6,512)**	**(29,749)**	**-**	**-**	**-**	**-**	**-**	**(165)**	**(322)**	**(525)**	**(539)**	**(521)**	**(502)**	**(496)**	**(500)**	**(505)**	**(509)**	**(513)**	**(520)**	**(527)**
PHASE 2																					
8 Performing Arts Facilities (Phase 2)		**(446)**	**(2,930)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(94)**
8.1 Great Theatre 2 and Medium Theatre 3	74%	(318)	(2,051)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(74)
8.2 Medium Theatre 4	59%	(128)	(879)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(21)
9 M+ (Phase 2)	22%	**(625)**	**(5,184)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Subtotal		**(1,070)**	**(8,114)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(94)**
Total CACF, Transport and Communal Facilities - Operation Only		**(7,582)**	**(37,863)**	**-**	**-**	**-**	**-**	**-**	**(165)**	**(322)**	**(525)**	**(539)**	**(521)**	**(502)**	**(496)**	**(500)**	**(505)**	**(509)**	**(513)**	**(520)**	**(621)**

( ) = Negative NPV / Value

Note

(1) All numbers are rounded to 0 decimal places (nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.

(2) This is the operating revenue as a % of operating costs (excl. depreciation) for a reference year.

West Kowloon Cultural District

Operating Surpluses/Deficits (Excl. RDE) in NPV and MOD Cash Flows ($ Million) and Operating Cost Recovery Rates by Facility

	Operating cost recovery rate of CACF (%) (Note 2) (Reference year: Year 10 after commencement of operation)	2008 NPV	Total MOD	MOD 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
PHASE 1																					
1 Management and Masterplanning		**(1,015)**	**(5,118)**	**(89)**	**(90)**	**(92)**	**(94)**	**(96)**	**(98)**	**(100)**	**(102)**	**(104)**	**(106)**	**(108)**	**(110)**	**(112)**	**(115)**	**(117)**	**(119)**	**(122)**	**(124)**
1.1 Masterplanning		0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Area and Project Management		(1,015)	(5,118)	(89)	(90)	(92)	(94)	(96)	(98)	(100)	(102)	(104)	(106)	(108)	(110)	(112)	(115)	(117)	(119)	(122)	(124)
2 Museum and Exhibition Space		**(5,011)**	**(24,373)**	**(424)**	**(432)**	**(441)**	**(449)**	**(457)**	**(466)**	**(475)**	**(516)**	**(394)**	**(502)**	**(512)**	**(522)**	**(531)**	**(541)**	**(552)**	**(562)**	**(573)**	**(583)**
2.1 M+	18%	(5,292)	(26,007)	(450)	(459)	(468)	(477)	(487)	(497)	(507)	(517)	(429)	(538)	(548)	(559)	(571)	(582)	(594)	(606)	(618)	(630)
2.2 Exhibition Centre	142%	281	1,633	26	27	27	28	30	31	32	1	34	35	37	38	39	41	42	44	45	47
3 Performing Arts Facilities		**(128)**	**1,433**	**7**	**11**	**14**	**18**	**21**	**25**	**29**	**(114)**	**(15)**	**43**	**48**	**53**	**58**	**64**	**69**	**76**	**82**	**89**
3.1 Mega Performance Venue	149%	1,014	5,916	89	93	96	100	104	108	112	13	121	126	131	136	141	146	152	158	164	170
3.2 Great Theatre 1	101%	(5)	338	3	3	4	5	5	6	7	(28)	8	9	10	11	12	13	14	15	16	18
3.3 Concert Hall and Chamber Music Hall	83%	(307)	(1,190)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(54)	(22)	(22)	(22)	(22)	(21)	(21)	(21)	(21)	(21)
3.4 Xiqu Centre	82%	(213)	(855)	(15)	(15)	(15)	(16)	(16)	(16)	(16)	(16)	(37)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)
3.5 Medium Theatre 1	66%	(159)	(700)	(12)	(12)	(12)	(13)	(13)	(13)	(13)	(17)	(13)	(14)	(14)	(14)	(14)	(14)	(15)	(15)	(15)	(15)
3.6 Medium Theatre 2 and Black Box Theatre 1	64%	(213)	(946)	(16)	(16)	(17)	(17)	(17)	(17)	(18)	(23)	(18)	(19)	(19)	(19)	(19)	(20)	(20)	(20)	(21)	(21)
3.7 Black Box Theatres 2 and 3	51%	(140)	(646)	(11)	(11)	(11)	(12)	(12)	(12)	(12)	(13)	(13)	(13)	(13)	(13)	(14)	(14)	(14)	(14)	(15)	(15)
3.8 Black Box Theatre 4	41%	(104)	(484)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(9)	(10)	(10)	(10)	(10)	(10)	(11)	(11)	(11)	(11)	(11)
3.9 Piazzas	100%	0 (assumed breakeven)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Other Arts and Cultural Uses		**0** (assumed breakeven)	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5 Transport Facilities		**179**	**838**	**14**	**15**	**15**	**15**	**16**	**16**	**16**	**8**	**17**	**17**	**18**	**18**	**18**	**19**	**19**	**19**	**20**	**20**
5.1 Automated People Mover		0 (assumed breakeven)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2 Car parks		179	838	14	15	15	15	16	16	16	8	17	17	18	18	18	19	19	19	20	20
6 Communal Facilities		**(537)**	**(2,529)**	**(43)**	**(44)**	**(45)**	**(45)**	**(46)**	**(47)**	**(48)**	**(49)**	**(50)**	**(51)**	**(52)**	**(53)**	**(54)**	**(55)**	**(56)**	**(58)**	**(45)**	**(60)**
6.1 Public Open Space		(537)	(2,529)	(43)	(44)	(45)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(58)	(45)	(60)
Subtotal		**(6,512)**	**(29,749)**	**(534)**	**(541)**	**(548)**	**(555)**	**(563)**	**(570)**	**(577)**	**(773)**	**(547)**	**(599)**	**(607)**	**(614)**	**(622)**	**(629)**	**(636)**	**(644)**	**(637)**	**(658)**
PHASE 2																					
8 Performing Arts Facilities (Phase 2)		**(446)**	**(2,930)**	**(76)**	**(85)**	**(79)**	**(74)**	**(68)**	**(68)**	**(69)**	**(69)**	**(70)**	**(70)**	**(71)**	**(73)**	**(74)**	**(75)**	**(76)**	**(77)**	**(79)**	**(80)**
8.1 Great Theatre 2 and Medium Theatre 3	74%	(318)	(2,051)	(56)	(63)	(58)	(53)	(49)	(49)	(49)	(49)	(49)	(49)	(50)	(51)	(52)	(52)	(53)	(54)	(55)	(55)
8.2 Medium Theatre 4	59%	(128)	(879)	(20)	(22)	(21)	(20)	(19)	(20)	(20)	(20)	(21)	(21)	(21)	(22)	(22)	(23)	(23)	(24)	(24)	(25)
9 M+ (Phase 2)	22%	**(625)**	**(5,184)**	**-**	**-**	**-**	**-**	**(92)**	**(131)**	**(143)**	**(143)**	**(143)**	**(142)**	**(145)**	**(148)**	**(151)**	**(154)**	**(157)**	**(160)**	**(163)**	**(167)**
Subtotal		**(1,070)**	**(8,114)**	**(76)**	**(85)**	**(79)**	**(74)**	**(160)**	**(200)**	**(212)**	**(212)**	**(213)**	**(212)**	**(216)**	**(221)**	**(225)**	**(229)**	**(233)**	**(238)**	**(242)**	**(247)**
Total CACF, Transport and Communal Facilities - Operation Only		**(7,582)**	**(37,863)**	**(610)**	**(626)**	**(628)**	**(629)**	**(723)**	**(770)**	**(790)**	**(985)**	**(759)**	**(812)**	**(823)**	**(835)**	**(846)**	**(858)**	**(870)**	**(881)**	**(879)**	**(905)**

( ) = Negative NPV / Value

Note

(1) All numbers are rounded to 0 decimal places (nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.

(2) This is the operating revenue as a % of operating costs (excl. depreciation) for a reference year.

West Kowloon Cultural District

Operating Surpluses/Deficits (Excl. RDE) in NPV and MOD Cash Flows ($ Million) and Operating Cost Recovery Rates by Facility

	Operating cost recovery rate of CACF (%) (Note 2) (Reference year: Year 10 after commencement of operation)	2008 NPV	Total MOD	MOD															
				2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059
PHASE 1																			
1 Management and Masterplanning		**(1,015)**	**(5,118)**	**(126)**	**(129)**	**(132)**	**(134)**	**(137)**	**(140)**	**(142)**	**(145)**	**(148)**	**(151)**	**(154)**	**(157)**	**(160)**	**(164)**	**(167)**	**(170)**
1.1 Masterplanning		0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Area and Project Management		(1,015)	(5,118)	(126)	(129)	(132)	(134)	(137)	(140)	(142)	(145)	(148)	(151)	(154)	(157)	(160)	(164)	(167)	(170)
2 Museum and Exhibition Space		**(5,011)**	**(24,373)**	**(595)**	**(607)**	**(619)**	**(631)**	**(644)**	**(657)**	**(670)**	**(683)**	**(697)**	**(763)**	**(579)**	**(740)**	**(755)**	**(770)**	**(785)**	**(801)**
2.1 M+	18%	(5,292)	(26,007)	(643)	(655)	(669)	(682)	(696)	(709)	(724)	(738)	(753)	(768)	(637)	(799)	(815)	(831)	(848)	(865)
2.2 Exhibition Centre	142%	281	1,633	48	49	50	51	52	53	54	55	56	5	58	59	60	62	63	64
3 Performing Arts Facilities		**(128)**	**1,433**	**91**	**93**	**95**	**97**	**99**	**101**	**103**	**105**	**107**	**(138)**	**21**	**114**	**116**	**118**	**121**	**123**
3.1 Mega Performance Venue	149%	1,014	5,916	173	177	180	184	187	191	195	199	203	34	211	215	220	224	229	233
3.2 Great Theatre 1	101%	(5)	338	18	18	19	19	20	20	20	21	21	(38)	22	22	23	23	24	24
3.3 Concert Hall and Chamber Music Hall	83%	(307)	(1,190)	(20)	(21)	(21)	(22)	(22)	(23)	(23)	(23)	(24)	(24)	(80)	(25)	(26)	(26)	(27)	(28)
3.4 Xiqu Centre	82%	(213)	(855)	(16)	(16)	(16)	(17)	(17)	(17)	(18)	(18)	(18)	(19)	(54)	(19)	(20)	(20)	(21)	(21)
3.5 Medium Theatre 1	66%	(159)	(700)	(16)	(16)	(16)	(17)	(17)	(17)	(18)	(18)	(18)	(25)	(19)	(19)	(20)	(20)	(21)	(21)
3.6 Medium Theatre 2 and Black Box Theatre 1	64%	(213)	(946)	(21)	(22)	(22)	(23)	(23)	(24)	(24)	(24)	(25)	(33)	(26)	(27)	(27)	(28)	(28)	(29)
3.7 Black Box Theatres 2 and 3	51%	(140)	(646)	(15)	(16)	(16)	(16)	(16)	(17)	(17)	(17)	(18)	(19)	(19)	(19)	(19)	(20)	(20)	(20)
3.8 Black Box Theatre 4	41%	(104)	(484)	(12)	(12)	(12)	(12)	(13)	(13)	(13)	(13)	(14)	(13)	(14)	(14)	(15)	(15)	(15)	(16)
3.9 Piazzas	100%	0 (assumed breakeven)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Other Arts and Cultural Uses		**0** (assumed breakeven)	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5 Transport Facilities		**179**	**838**	**21**	**21**	**21**	**22**	**22**	**23**	**23**	**24**	**24**	**12**	**25**	**26**	**26**	**27**	**27**	**28**
5.1 Automated People Mover		0 (assumed breakeven)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2 Car parks		179	838	21	21	21	22	22	23	23	24	24	12	25	26	26	27	27	28
6 Communal Facilities		**(537)**	**(2,529)**	**(61)**	**(62)**	**(64)**	**(65)**	**(66)**	**(68)**	**(69)**	**(70)**	**(72)**	**(73)**	**(75)**	**(76)**	**(78)**	**(79)**	**(81)**	**(82)**
6.1 Public Open Space		(537)	(2,529)	(61)	(62)	(64)	(65)	(66)	(68)	(69)	(70)	(72)	(73)	(75)	(76)	(78)	(79)	(81)	(82)
Subtotal		**(6,512)**	**(29,749)**	**(670)**	**(684)**	**(697)**	**(711)**	**(726)**	**(740)**	**(755)**	**(770)**	**(785)**	**(1,113)**	**(762)**	**(834)**	**(850)**	**(867)**	**(885)**	**(902)**
PHASE 2																			
8 Performing Arts Facilities (Phase 2)		**(446)**	**(2,930)**	**(81)**	**(125)**	**(84)**	**(85)**	**(86)**	**(88)**	**(89)**	**(90)**	**(91)**	**(93)**	**(94)**	**(95)**	**(97)**	**(99)**	**(101)**	**(103)**
8.1 Great Theatre 2 and Medium Theatre 3	74%	(318)	(2,051)	(56)	(96)	(58)	(58)	(59)	(60)	(61)	(61)	(62)	(63)	(63)	(64)	(65)	(67)	(68)	(69)
8.2 Medium Theatre 4	59%	(128)	(879)	(25)	(29)	(26)	(27)	(27)	(28)	(28)	(29)	(29)	(30)	(30)	(31)	(32)	(32)	(33)	(34)
9 M+ (Phase 2)	22%	**(625)**	**(5,184)**	**(170)**	**(173)**	**(177)**	**(180)**	**(184)**	**(188)**	**(169)**	**(195)**	**(199)**	**(203)**	**(207)**	**(211)**	**(215)**	**(220)**	**(224)**	**(229)**
Subtotal		**(1,070)**	**(8,114)**	**(251)**	**(299)**	**(260)**	**(265)**	**(270)**	**(275)**	**(257)**	**(285)**	**(290)**	**(296)**	**(301)**	**(306)**	**(313)**	**(319)**	**(325)**	**(332)**
Total CACF, Transport and Communal Facilities - Operation Only		**(7,582)**	**(37,863)**	**(922)**	**(982)**	**(958)**	**(977)**	**(996)**	**(1,015)**	**(1,012)**	**(1,055)**	**(1,076)**	**(1,409)**	**(1,063)**	**(1,140)**	**(1,163)**	**(1,186)**	**(1,210)**	**(1,234)**

( ) = Negative NPV / Value

Note

(1) All numbers are rounded to 0 decimal places (nearest $ million) for presentation purpose. The table totals presented therefore may not add up due to rounding.

(2) This is the operating revenue as a % of operating costs (excl. depreciation) for a reference year.

West Kowloon Cultural District
M+ (Phase 1) - Operating Assumptions

	Assumptions		
1	***Physical Parameters***		
1 . 1 . 1	Museum NOFA	28,910	sq.m.
1 . 1 . 2	Museum GFA	43,365	sq. m.
1 . 1 . 3	Museum NOFA to GFA Ratio	1: 1.50	
1 . 2 . 1	Food Service Space	700	sq. m.
1 . 2 . 2	Retail Space	700	sq. m.
1 . 3	Exhibition Space	16,000	sq. m.
1 . 4 . 1	Off-site Storage (NOFA)	14,000	sq.m.
1 . 4 . 2	Off-site Storage (GFA)	16,800	sq. m.
1 . 4 . 3	Off-site Storage NOFA to GFA Ratio	1: 1.20	
2	***Total Attendance***	1,200,000	per annum
3	***Usage by Hirers***	250	number of hires per annum
4	***Admission and Hire Charges***		
4 . 1	Admission Revenue from Visitors	$27.5	per person
4 . 2	Hire Charge per engagement	$6,000	average per session
5	***Retail/Food Service***		
5 . 1 . 1	Retail Spend	$28.0	per visitor
5 . 1 . 2	Profit Margin on Retail Goods	15%	
5 . 2	Food Service Concession Rental	$4,000	per annum
5 . 3	Retail Shop Rental	$4,000	per annum
6	***Initial Broad Groupings and Exhibitions (includes qualitative assumptions)***		
6 . 1	Initial Broad Groupings will be contemporary art, popular culture, film and design		
6 . 2	All exhibitions will be to international standards		
7	***Public Programmes***		
7 . 1	There will be a full range of museum quality public and school programmes as per international museum practice		
7 . 2	Public Programme Revenues	$4,000,000	
8	***Collections (includes qualitative assumptions)***		
8 . 1	The Museum will build a world-class collection relating to each of the four themes.		
9	***Fundraising - Special Events***	$15,000,000	
10	***Other Income***	$3,200,000	

West Kowloon Cultural District

M+ (Phase 1) - Operating Assumptions

	Assumptions		
11	***Staff Costs***		
11 . 1	Total Number of FTE Positions	320	
11 . 1 . 1	Senior Staff	18	
11 . 1 . 2	Professional Staff	212	
11 . 1 . 3	Assistant / Clerical Staff	90	
11 . 2 . 1	Assumed Average Salary/Benefits - Senior Staff	$1,367,000	per FTE
11 . 2 . 2	Assumed Average Salary/Benefits - Professional Staff	$450,000	per FTE
11 . 2 . 3	Assumed Average Salary/Benefits - Assistant / Clerical Staff	$180,000	per FTE
12	***General and Administrative Costs***	12.0%	of Staff Costs
13	***Occupancy Costs***		
13 . 1	Building Maintenance	$70	per sq.m. GFA
13 . 2	Electricity	$500	per sq.m. GFA
13 . 3	Water	$0.1	per visitor per annum
13 . 4	Cleaning and security	$300	per sq.m. GFA
13 . 5	Other Occupancy Costs	$440	per sq.m. GFA
14	***Exhibitions***		
14 . 1	Number of major temporary exhibitions	4	per year
14 . 2	Average Cost per Temporary Exhibition	$14,000,000	
14 . 3	Number of Small Scale Temporary Exhibitions	12	per year
14 . 4	Average Cost per Small Scale Temporary Exhibition	$2,000,000	
14 . 5	Routine Maintenance Cost	$8,000,000	per year
15	***Public Programmes***	3	times the cost of Public Programme Revenues
16	***Marketing Costs***	6%	of Other Operating Expenditure
17	***Library Costs***	$2,100,000	per annum

West Kowloon Cultural District
M+ (Phase 2) - Operating Assumptions

	Assumptions			
1	***Physical Parameters***			
1 . 1 . 1	Museum NOFA		41,300	sq.m.
1 . 1 . 2	Museum GFA		61,950	sq. m.
1 . 1 . 3	Museum NOFA to GFA Ratio	1:	1.50	
1 . 2 . 1	Food Service Space		700	sq. m.
1 . 2 . 2	Retail Space		700	sq. m.
1 . 3	Exhibition Space		26,000	sq. m.
1 . 4 . 1	Off-site Storage (NOFA)		14,000	sq.m.
1 . 4 . 2	Off-site Storage (GFA)		16,800	sq. m.
1 . 4 . 3	Off-site Storage NOFA to GFA Ratio	1:	1.20	
2	***Total Attendance***		2,000,000	per annum
3	***Usage by Hirers***		300	number of hires per annum
4	***Admission and Hire Charges***			
4 . 1	Admission Revenue from Visitors		$30.0	per person
4 . 2	Hire Charge per engagement		$6,000	average per session
5	***Retail/Food Service***			
5 . 1 . 1	Retail Spend		$28.0	per visitor
5 . 1 . 2	Profit Margin on Retail Goods		15%	
5 . 2	Food Service Concession Rental		$4,000	per annum
5 . 3	Retail Shop Rental		$4,000	per annum
6	***Initial Broad Groupings and Exhibitions (includes qualitative assumptions)***			
6 . 1	Initial Broad Groupings will be contemporary art, popular culture, film and design			
6 . 2	All exhibitions will be to international standards			
7	***Public Programmes***			
7 . 1	There will be a full range of museum quality public and school programmes as per international museum practice			
7 . 2	Public Programme Revenues		$7,000,000	
8	***Collections (includes qualitative assumptions)***			
8 . 1	The Museum will build a world-class collection relating to each of the four themes.			
9	***Fundraising - Special Events***		$18,000,000	
10	***Other Income***		$4,350,000	
11	***Staff Costs***			
11 . 1	Total Number of FTE Positions		336	
11 . 1 . 1	Senior Staff		20	
11 . 1 . 2	Professional Staff		220	
11 . 1 . 3	Assistant / Clerical Staff		96	
11 . 2 . 1	Assumed Average Salary/Benefits - Senior Staff		$1,367,000	per FTE
11 . 2 . 2	Assumed Average Salary/Benefits - Professional Staff		$450,000	per FTE
11 . 2 . 3	Assumed Average Salary/Benefits - Assistant / Clerical Staff		$180,000	per FTE
12	***General and Administrative Costs***		12.0%	of Staff Costs
13	***Occupancy Costs***			
13 . 1	Building Maintenance		$70	per sq.m. GFA
13 . 2	Electricity		$500	per sq.m. GFA
13 . 3	Water		$0.1	per visitor per annum
13 . 4	Cleaning and security		$300	per sq.m. GFA
13 . 5	Other Occupancy Costs		$440	per sq.m. GFA

West Kowloon Cultural District
M+ (Phase 2) - Operating Assumptions

	Assumptions	
14	***Exhibitions***	
14 . 1	Number of major temporary exhibitions	7 per year
14 . 2	Average Cost per Temporary Exhibition	$14,000,000
14 . 3	Number of Small Scale Temporary Exhibitions	20 per year
14 . 4	Average Cost per Small Scale Temporary Exhibition	$2,000,000
14 . 5	Routine Maintenance Cost	$13,000,000 per year
15	***Public Programmes***	3 times the cost of Public Programme Revenues
16	***Marketing Costs***	6% of Other Operating Expenditure
17	***Library Costs***	$2,100,000 per annum

West Kowloon Cultural District
Exhibition Centre - Operating Assumptions

Assumptions			
1	***Physical Parameters***		
1 . 1	Total NOFA	10,000	sq.m.
1 . 2	Total GOFA	12,500	sq. m.
1 . 3	GFA to NOFA Ratio	1.25	
1 . 4 . 1	Exhibition Space (Gallery 1)	2,000	sq.m.
1 . 4 . 2	Exhibition Space (Gallery 2)	1,300	sq.m.
1 . 4 . 3	Exhibition Space (Gallery 3)	1,000	sq.m.
1 . 4 . 4	Exhibition Space (Gallery 4)	500	sq.m.
1 . 5	Retail Space	100	sq.m.
2	***Hire Charges***		
2 . 1 . 1	Gallery 1	$37	per sq.m. per day
2 . 1 . 2	Gallery 2	$45	per sq.m. per day
2 . 1 3	Gallery 3	$47	per sq.m. per day
2 . 1 4	Gallery 4	$57	per sq.m. per day
2 . 2	Discount for Cultural Uses	30%	
2 . 3	Other Hire Charges	8%	of Gallery Hire Income
3	***Utilisation***		
3 . 1	Days for Hire	351	days a year
3 . 2	Utilisation Rate	72%	
3 . 3 . 1	Gallery 1 (commercial)	177	days
3 . 3 . 2	Gallery 2 (commercial)	177	days
3 . 3 . 3	Gallery 3 (commercial)	177	days
3 . 3 . 4	Gallery 4 (commercial)	177	days
3 . 4 . 1	Gallery 1 (cultural)	76	days
3 . 4 . 2	Gallery 2 (cultural)	76	days
3 . 4 . 3	Gallery 3 (cultural)	76	days
3 . 4 . 4	Gallery 4 (cultural)	76	days
5	***Rental of Retail Space***	$4,000	per sq.m. per annum
6	***Attendance***	1,500,000	per annum
7	***Staff Costs***		
7 . 1 . 1	Level 1 Staff	$1,200,000	per annum
7 . 1 . 2	Level 2 Staff	$800,000	per annum
7 . 1 . 3	Level 3 Staff	$450,000	per annum
7 . 1 . 4	Level 4 Staff	$200,000	per annum
7 . 1 . 5	Level 5 Staff	$150,000	per annum
7 . 1 . 6	Level 6 Staff	$125,000	per annum
7 . 2 . 1	Level 1 Staff	1	staff
7 . 2 . 2	Level 2 Staff	2	staff
7 . 2 . 3	Level 3 Staff	2	staff
7 . 2 . 4	Level 4 Staff	5	staff
7 . 2 . 5	Level 5 Staff	5	staff
7 . 2 . 6	Level 6 Staff	5	staff
7 . 2	Total Number of Staff	20	

West Kowloon Cultural District
Exhibition Centre - Operating Assumptions

Assumptions			
8	***General and Administrative Costs***	12%	of staffing costs
9	***Occupancy Costs***		
9 . 1	Building Maintenance	$70	per sq.m. GFA per annum
9 . 2	Electricity	$350	per sq.m. GFA per annum
9 . 3	Water	$0.1	per visitor per annum
9 . 4	Cleaning and security	$300	per sq.m. GFA per annum
9 . 5	Other Occupancy Costs (including Workshop services - lighting, A/C, escalators/evelvators etc.; technical services - e.g. sound, telecom systems; general and specialist supplies; maintenance contracts of office and other equipments; postal services etc. and temp staff)	$336	per sq.m. GFA per annum
10	***Marketing Costs***	10%	of Hire Income
11	***Public Programming Costs***	$600,000	per annum

Assumptions / Parameters		Unit	Mega Performance Venue	Great Theatre 1	Concert Hall Chamber Music Hall (Concert Hall)	Concert Hall Chamber Music Hall (Chamber Music Hall)	Xiqu Centre (Main Theatre)	Xiqu Centre (Small Theatre)	Medium-Sized Theatre 1	Medium-Sized Theatre 2 and Blackbox Theatre 1 (Medium-Sized Theatre 2)	Medium-Sized Theatre 2 and Blackbox Theatre 1 (Blackbox Theatre 1)	Blackbox Theatre 2 and Blackbox Theatre 3 (Blackbox Theatre 2)	Blackbox Theatre 2 and Blackbox Theatre 3 (Blackbox Theatre 3)	Blackbox Theatre 4	Great Theatre 2 Medium-Sized Theatre 3 (Great Theatre 2)	Great Theatre 2 Medium-Sized Theatre 3 (Medium-Sized Theatre 3)	Medium-Sized Theatre 4
Physical Parameters	Total NOFA	sq.m.	36,710	14,800	16,800	-	14,955	-	6,750	9,480	-	5,195	-	3,160	20,325	-	6,750
	NOFA to GFA Ratio	1:	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
	Seating Capacity	seats	15,000	2,200	2,000	800	1,400	400	800	800	250	250	250	250	1,900	800	800
	Restaurants NOFA	sq.m.	1,000	1,000	1,000	-	3,220	-	250	250	70	70	70	70	1,000	250	250
	Retail NOFA	sq.m.	500	190	190	100	100	-	100	100	50	50	50	50	150	100	100
	VVIP Facilities NOFA	sq.m.	1,130	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Resident Company Space NOFA	sq.m.	0	600	1300	525	300	0	300	300	225	225	225	225	600	300	300
Utilisation	Closure for Maintenance	days per annum	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14
	Utilisation Rate	%	90	90	82	82	90	90	82	82	82	82	82	82	82	82	82
	No. of Sessions Per Day		1	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Ticket Price	Average Ticket Price	$ per performance	$300	$350	$300	$125	$200	$100	$150	$150	$100	$100	$100	$100	$250	$150	$150
Attendance	Attendance Rate	%	72	72	67	67	72	67	72	72	72	72	72	72	72	72	72
Performance	No. of Weekends / Public Holidays	days per annum	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
	Performances on Weekends / Public Holidays	No. of performances per day	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
	Performances on Weekdays	No. of performances per day	0.4	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Usage	Usage by Hirers (Arts)	%	80	85	70	60	80	70	85	85	85	85	85	85	60	75	75
	% of Performances also Hire Venue for Rehearsals	%	0	100	100	100	200	100	200	200	100	100	100	100	200	200	200
	% is Community Hire with Discounts	%	0	10	50	50	10	50	20	20	50	50	50	50	30	40	40
	Usage by Hirers (Non-Arts)	%	20	5	10	10	10	5	5	5	5	5	5	5	10	5	5
Hiring Charges	Basic Rate (per session per seat)	$ per session per seat	$8.0	$28.0	$23.0	$23.0	$23.0	$23.0	$28.0	$28.0	$23.0	$23.0	$23.0	$23.0	$28.0	$28.0	$28.0
	Hire Charge as % of Gross Ticket Sales	% of Gross Ticket Sales	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	Discount Rate (Rehearsal Hire)	%	0	60	60	60	75	60	75	75	60	60	60	60	75	75	75
	Discount Rate (Community Hire)	%	0	30	30	30	30	50	30	30	30	30	30	30	30	30	30
	Other Hire Charges	% of Total Hire Income	17	12	12	6	12	4	8	8	4	4	4	4	10	6	6
Ticketing Services	Box Office Fee	$ per ticket	$6.5	$6.5	$6.5	$6.5	$6.5	$6.5	$6.5	$6.5	$6.5	$6.5	$6.5	$6.5	$6.5	$6.5	$6.5
	Inside Charge Fee	$ per ticket	$6.7	$6.7	$6.7	$6.7	$6.7	$6.7	$6.7	$6.7	$6.7	$6.7	$6.7	$6.7	$6.7	$6.7	$6.7
	Profit Margin	%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Merchandise Sales	% of Patrons Purchasing	%	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
	Average Spending	$ per person	$175	$175	$175	$125	$175	$65	$125	$125	$65	$65	$65	$65	$125	$125	$125
	Profit Margin	% of turnover	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Internal Bars	% of Patrons Spending	%	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
	Average Spending	$ per person	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30
	Profit Margin	% of turnover	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15

Assumptions / Parameters		Unit	Mega Performance Venue	Great Theatre 1	Concert Hall Chamber Music Hall (Concert Hall)	Concert Hall Chamber Music Hall (Chamber Music Hall)	Xiqu Centre (Main Theatre)	Xiqu Centre (Small Theatre)	Medium-Sized Theatre 1	Medium-Sized Theatre 2 and Blackbox Theatre 1 (Medium-Sized Theatre 2)	Medium-Sized Theatre 2 and Blackbox Theatre 1 (Blackbox Theatre 1)	Blackbox Theatre 2 and Blackbox Theatre 3 (Blackbox Theatre 2)	Blackbox Theatre 2 and Blackbox Theatre 3 (Blackbox Theatre 3)	Blackbox Theatre 4	Great Theatre 2 Medium-Sized Theatre 3 (Great Theatre 2)	Great Theatre 2 Medium-Sized Theatre 3 (Medium-Sized Theatre 3)	Medium-Sized Theatre 4
Rentals	Cafes / Restaurants (smaller than 500 sq.m.)	$ per sq.m. per annum	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
	Cafes / Restaurants (500 sq.m. or above)	$ per sq.m. per annum	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
	Retail Shops	$ per sq.m. per annum	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
	VVIP Facilities	$ per sq.m. per annum	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000
	Resident Company Space	$ per sq.m. per annum	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000
	Advertising Space	$ per annum	$7,800,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sponsorship	Sponsorship as % of Earned / Venue Income	%	6	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Staff Costs	Level 1 Staff	$ per annum	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000
	Level 2 Staff	$ per annum	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000
	Level 3 Staff	$ per annum	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000	$450,000
	Level 4 Staff	$ per annum	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000
	Level 5 Staff	$ per annum	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000
	Level 6 Staff	$ per annum	$125,000	$125,000	$125,000	$125,000	$125,000	$125,000	$125,000	$125,000	$125,000	$125,000	$125,000	$125,000	$125,000	$125,000	$125,000
Staffing Schedule	Level 1 Staff	no. of staff	1	1	1		1		0	0		0		0	1		0
	Level 2 Staff	no. of staff	1	1	1		1		1	1		1		1	1		1
	Level 3 Staff	no. of staff	5	5	7		5		3	4		3		2	8		3
	Level 4 Staff	no. of staff	5	10	10		10		5	6		4		2	10		5
	Level 5 Staff	no. of staff	10	10	10		10		5	6		4		3	10		5
	Level 6 Staff	no. of staff	10	10	10		10		5	6		0		0	10		5
	Total No. of Staff		32	37	39		37		19	23		12		8	40		19
Overheads	Maintenance and Operation of Electrical Equipment and Provision, Maintenance and Operation of Stage Lighting Services	$ per sq.m. GFA	$328	$468	$468	$468	$468	$468	$468	$421	$421	$328	$328	$328	$468	$468	$468
	Building Maintenance, Planned Maintenance and Minor Improvement Works	$ per sq.m. GFA	$56	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70
	Provision of Technical Sound Services, Maintenance and Operation of Electrical, Mechanical, Electronic, Telecommunication Equipment and Systems	$ per sq.m. GFA	$73	$104	$104	$104	$104	$104	$104	$94	$94	$73	$73	$73	$104	$104	$104
	Other Operating Costs (Stores, Equipment, Professional Services, Materials, Supplies, Temp Staff etc.)	$ per sq.m. GFA	$255	$364	$364	$364	$364	$364	$364	$328	$328	$255	$255	$255	$364	$364	$364
	Cleaning and Security Costs	$ per sq.m. GFA	$208	$260	$260	$260	$260	$260	$260	$260	$260	$260	$260	$260	$260	$260	$260
	Electricity	$ per sq.m. GFA	$281	$312	$312	$312	$312	$312	$312	$303	$303	$281	$281	$281	$312	$312	$312
	Water	$ per seat per annum	$36	$36	$36	$36	$36	$36	$36	$36	$36	$36	$36	$36	$36	$36	$36
	Admin Overheads	% of Staff Costs	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Marketing Costs	Marketing Costs	% of Total Hire Income	2	5	7	10	7	10	10	10	10	10	10	10	7	10	10
Programming Costs	Venue's Own Programmes: Budget as % of Ticket Sales	%	0	90	120	140	90	140	90	90	110	110	110	110	110	140	140

Note: All dollar figures quoted above are stated at 2006 prices.