

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

*Furnish this exhibit for EACH foreign principal listed in an initial statement
and for EACH additional foreign principal acquired subsequently.*

1. Name and address of registrant GCI GROUP, 777 Third Avenue, New York, New York 10017	2. Registration No. 3856
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3. Name of foreign principal Hong Kong Government	4. Principal address of foreign principal 680 Fifth Avenue, 22nd Floor New York, New York 10019
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5. Indicate whether your foreign principal is one of the following type:

- Foreign government
- Foreign political party
- Foreign or domestic organization: If either, check one of the following:
 - Partnership
 - Corporation
 - Association
 - Committee
 - Voluntary group
 - Other (specify) _____
- Individual—State his nationality _____

6. If the foreign principal is a foreign government, state:

- a) Branch or agency represented by the registrant.
- b) Name and title of official with whom registrant deals.
Alex Fong, Director/New York

7. If the foreign principal is a foreign political party, state: N/A

- a) Principal address
- b) Name and title of official with whom registrant deals.
- c) Principal aim

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8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal N/A

b) Is this foreign principal N/A

- Owned by a foreign government, foreign political party, or other foreign principal Yes No
- Directed by a foreign government, foreign political party, or other foreign principal..... Yes No
- Controlled by a foreign government, foreign political party, or other foreign principal Yes No
- Financed by a foreign government, foreign political party, or other foreign principal Yes No
- Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes No
- Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

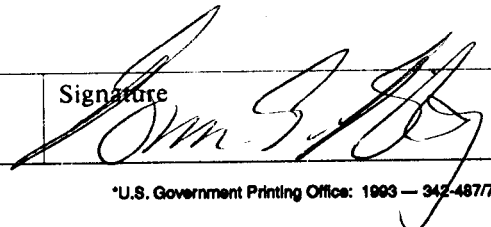
N/A

Date of Exhibit A

Name and Title

Bruce Bishop EVP

Signature



INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

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GCI GROUP	Name of Registrant	Name of Foreign Principal HONG KONG GOVERNMENT
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Check Appropriate Boxes:

1. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach three copies of the contract to this exhibit.
2. There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach three copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
3. The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

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4. Describe fully the nature and method of performance of the above indicated agreement or understanding.
 Public relations services to be provided by GCI Group include counseling, creating, planning and working on specific public relations projects; preparation of written and other public relations materials; representing The Hong Kong Economic and Trade Office.

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

As outlined in the attached agreement, the registrant will provide Public Relation services for the foreign principal.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?¹
Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Date of Exhibit B	Name and Title	Signature
	Bruce Bishop EVP	

¹Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

Dated 1st April 1993

The Hong Kong Government

and

The GCI Group Inc.

Consultancy Agreement



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Consultancy Agreement

This Agreement is made the First day of April 1993 between the Government of Hong Kong (hereinafter referred to as 'the Government') and The GCI Group Inc., a company incorporated in the State of New York and having its Registered Office at 777 Third Avenue, 38th floor, New York, NY 10017. (hereinafter referred to as "the Consultant").

RECITALS:

This Agreement covers the engagement of the Consultant by the Government for the provision of consultancy services in the United States on a non-exclusive basis in the public relations area especially in developing a communication programme designed to influence key decision-makers and opinion formers as to the importance of Hong Kong for United States interests and Hong Kong's long term viability as an international business and investment centre.

Now it is hereby Agreed as follows:

I DEFINITIONS AND INTERPRETATION

- (1) In this Agreement the following words and expressions shall have the meaning hereby assigned to them except when the context otherwise requires:

"Agreement" means this Agreement and the annexures;

"Annex A" means that part of this Agreement containing the Brief;

"Annex B" means that part of this Agreement containing the Consultants Proposal;

"The Budget" means the Consultancy Fee specified in clause VI(5);

"The Government Representative" means the person nominated in clause XIII of this Agreement.

II THE OBJECTIVES

The Consultant will work closely with the Hong Kong Economic and Trade Offices (hereinafter referred to as the "ETOs") to achieve the objectives set-out herein and also in the Consultancy Brief which is attached and marked Annex 'A';

- (1) Extend and strengthen the existing "HK Constituency", by reaching higher and deeper into the U.S. Administration/Congress, the business/financial community, state/municipal governments, the media and other influentials;

- (2) Working with the Constituency and support HK officials to communicate positive messages that support HK's interest;

- (3) Increase awareness of the U.S. stake in Hong Kong, and of the importance of Hong Kong for U.S. interests; and in particular:
 - (a) support and supplement the government's efforts to safeguard Hong Kong's interests on the MFN, and communicate the importance of China's MFN status to HK's economic well being and to American interests in Asia;

 - (b) inform existing and potential investors of the opportunities which HK can offer as a business center and regional hub;

 - (c) promote and enhance HK's reputation as a free and fair trader and valuable trading partner.

- (4) Promote business confidence among Hong Kong's target audiences and reassure existing and potential investors of HK's continuing economic and political viability up to and beyond 1997.

III THE SCOPE OF THE CONSULTANCY SERVICES

The Government hereby appoints the Consultant and the Consultant agrees to perform and provide the following Consultancy Services which reflect the recommendations set-out in the Consultants Proposal which is attached and marked Annexure 'B' within the scope of the agreed budget in a professional manner and operating in strategic cooperation with the ETOs to support their efforts and achieve the Objectives:

- (1) Provided strategic counsel to the ETOs on the development and management of Hong Kong's communications program and activities in the U.S.
- (2) Facilitate high-level access to the U.S. corporate/financial, governmental, media and academic institutions for Hong Kong Government officials and private sector VIPs, working in close association with the ETOs and building on the existing support network.
- (3) Support the ETOs in their coalition-building on U.S. and international issues affecting Hong Kong's interests, including recommending and qualifying sponsored visitors to Hong Kong.

- (4) Assist the ETOs in developing third-party spokespersons.

- (5) Support the ETOs' continuing media relations activities, particularly in the following areas:
 - (a) generating positive stories (such as successful case histories);

 - (b) analyzing news media coverage of relevant developments;

 - (c) issues management and crisis communications;

 - (d) building on the existing ETO media database;

 - (e) recommending and qualifying journalists to visit HK as part of the sponsored visitor program;

 - (f) identifying and cultivating media contacts;

 - (g) providing access to the media for appropriate HK spokespersons by arranging interviews, backgrounders and editorial meetings;

- (h) responding swiftly to inaccurate or unfavourable coverage as appropriate, through interviews, "letters to the editor" and/or op-eds;
 - (i) on a strategic basis, relating the media relations program to the schedule of Hong Kong-related events and visits to maximize its effectiveness.
- (6) Assist the ETOs in developing and qualifying "high value" national and regional speaking opportunities for ETO spokespersons and visiting dignitaries in targeted markets, including researching and identifying opportunities, securing invitations to speak, briefing speakers and assisting with speech development and preparation.
- (7) Provide counsel and support to the ETOs in the development of communications support programs for "personal diplomacy" visits (state duty visits) to selected markets. This may include assisting the ETOs in developing:
- (a) op-eds, speeches, fact sheets and summary position papers;
 - (b) media interviews for the HKETO spokesperson;
 - (c) speaking opportunities.

- (8) Support the ETOs on the MFN issue. This will include:
- (a) assisting the government in its public relations efforts to advocate unconditional continuation of MFN for China and expanding the constituency support, especially at grassroots level, for Hong Kong's interests;
 - (b) supporting the ETOs in deployment of communications tools such as third party endorsements, letters to the editor, information kits, etc.
- (9) Assist the ETOs in developing specific case histories and success stories (for example, of a successful investment track record) to reinforce the program messages and promote its objectives.
- (10) Assist the ETOs in developing a core of support materials, specifically designed to communicate the central program messages, for use throughout the program activities.
- (11) Present creative ideas for special projects in order to focus recognition and positive attention on HK, and be prepared to support the execution of these events subject to budgetary availability.

IV ACCOUNT MANAGEMENT

Account Direction/Account Teams

- (1) The Chief Executive Officer of GCI Group, Jack Bergen, will be responsible to the Hong Kong government for the overall coordination and execution of this program.
- (2) Margery Kraus, president of GCI's Washington office, will support Mr. Bergen by providing leadership of the support activities on MFN and other Washington, D.C.-focused activities.
- (3) In his role as the coordinator of the overall national program, Mr. Bergen will be supported by three senior account directors, each of whom will be responsible to the appropriate ETO for the development and management of program activities.
- (4) These account directors will be:
 - (a) Washington, D.C. - Barry Schumacher
 - (b) New York - Richard Fursland
 - (c) West Coast - Paul Spindler

- (5) For counsel and support as needed, these account directors will draw on the wider resources of GCI Group's offices and resources in the U.S. as a whole.
- (6) The account directors will appoint account teams in each of GCI's offices to service the ETOs' evolving needs. The executives on these account teams will be identified and selected by GCI Group on the basis of their relevant experience and capabilities, following discussion with the ETOs of their requirements and priorities.

Performance Targets

- (7) Within the first month of the contract period, GCI Group and the ETOs will work out performance targets that will enable the ETOs to measure GCI Group's performance on an ongoing basis.

Review Procedures

- (8) The Consultant and the ETOs will hold regular meetings to review program development and execution against the established targets, and to plan strategy for the future.
- (9) The Government will not be charged for the time of Jack Bergen as and when he is involved in these reviews. Nor will the Government be charged for the

time or expenses of the Consultants' executives when they conduct these reviews in the margins of Agency meetings primarily arranged for other purposes. On such occasions, the ETOs will be invited to attend these reviews as the Consultant and the ETOs shall determine.

- (10) The Government will be charged fees and expenses for all other review meetings, in accordance with and subject to the billing and approval procedures set-out in Annex 'B' of this Agreement.

V DURATION

- (1) The Consultant's services will be provided to the Government throughout the Term of this Agreement, which is unless previously terminated in accordance with the terms of clause V(2) hereof for a twelve consecutive calendar month period commencing April 1, 1993, renewable for a further period of time subject to the written agreement of both parties as to fees and other payments together with other relevant terms and conditions pertaining to such renewal.

Termination of Services

- (2) (a) Both the Government and Consultant shall have the right to terminate the Agreement on one month's written notice, without specifying the reason for this termination.

(b) in the event of any members of the designated "core team" (Jack Bergen, Margery Kraus, Richard Fursland, Barry Schumacher, Paul Spindler) ceasing to be actively employed by the Consultant and/or being unable to play their anticipated role on the account, GCI Group will immediately inform the Government and provide an alternative qualified professional to service the government's business. In the event of any two members of the core team ceasing to be actively employed by the Consultant and/or being unable to play their anticipated role on the account within the same contract period, the same procedures will be followed and the government may terminate the agreement at its sole discretion by giving written notice to this effect if it is not satisfied with the continuity and quality of service being offered.

Termination Terms

- (3) The Consultant's duties, responsibilities and rights shall continue in full force during the period of notice of termination.
- (4) Upon termination of this agreement, the Government is to pay for all authorized work in process, at cost, and shall assume the Consultant's liability under and indemnify the Consultant with respect to all outstanding contracts made in the Government's behalf.

- (5) The Consultant shall transfer, assign and make available to the Government or its representative all property and materials in the Consultant's possession or control belonging to and paid for by the Government. The Consultant also agrees to give all reasonable cooperation to transferring and approval of third parties in interest and reservations, contracts and agreements yet to be used and all rights and claims thereto and therein, upon being duly released from the obligation thereof.

VI FINANCIAL ARRANGEMENTS

Payment and Invoices

- (1) Subject to the provisions in paragraph VI 7 below, fees shall be paid against monthly invoices from the Consultant. The invoices should reach the NYETO no later than the 15th of the month following the billing period, and are payable within 15 calendar days. For items budgeted on a project basis which extend over more than one month, bills will be submitted and paid monthly on the basis of the applicable staff-time charges set-out in Annex 'C' to this Agreement and expenses.
- (2) The invoices should detail all "billable professional fees" and "billable expenses," and shall be accompanied by a monthly financial report to provide ongoing monitoring of the budget situation.

(3) Arrangements for the commissioning of production and creative services will be negotiated and agreed on an ad hoc basis.

(4) The following items will be billed at net cost:

(a) Travel

Transportation, food and accommodations for trips authorized by the Government. The guidelines applicable to ETO officials shall also apply to the Consultant's executives travelling on business for the Government.

(b) Packing, Shipping, Delivery and Communications

All expenses incurred in connection with forwarding material on behalf of the Government such as telephone, telegraph, telex, cable, messenger and postage charges.

(5) The total consultancy payment to the Consultant by the Government in consideration for such consultancy services shall not exceed US\$500,000 in aggregate for the term of this Agreement, such consultancy fee includes the consultancy payment and all expenses.

Budgeting and Billing

- (6) The account will be budgeted and billed on the following basis:
- (a) where this is practicable, for specific projects where the workload can be determined in advance, budgets will be fixed on a project-by-project basis. The Government will not pay for any over-runs over such agreed budgets unless this has been specifically agreed in writing;
 - (b) for other ongoing program activities (for example, for the provision of strategic counsel, crisis management or projects where the workload cannot be determined in advance), the Consultant will bill the Government on the basis of staff-time and the billing rates of its executives as set-out in Annex B.
- (7) The Consultant and the Government recognize that it will be necessary to maintain a close and ongoing review of budgetary and billing procedures against their actual experience in order to determine the most cost-effective system and will include this item as a major priority within their review procedures.
- (8) The Consultant will re-do at no cost to the Government any deliverable that does not meet the Consultant's

quality commitment and the Government's quality requirement of being error-free.

VII GENERAL PROCEDURES

- (1) The Government reserves the right to modify, reject, cancel or stop any and all plans, schedules or work in process; and in such event the Consultant shall immediately take proper steps to carry out the Government instructions. In turn the Government agrees to pay the Consultant, in accordance with the provisions of this agreement, any and all proper charges earned and incurred by the Consultant in connection with such work up to the time of its discontinuance, cancellation, or modification.

VIII CONFIDENTIALITY AND COPYRIGHT

- (1) The Consultant hereby warrants and undertakes to treat and safeguard with the utmost confidence and security all information of a nature which is politically, socially, economically or financially sensitive or confidential (whether so designated or otherwise) to the Government and provided to the Consultant or its agent by or on behalf of the Government under or in respect of this Agreement except such information which has lawfully (in accordance with the laws of Hong Kong) been made public prior to any disclosure.

(2) The Government shall upon payment become the exclusive owner of all reports, literature, advices, promotional materials, programs, schedules, plans, story lines, ideas, placements, reviews, data and software (collectively referred to as "the Acquired Property") devised or developed in whole or in part by or on behalf of the Consultant under this Agreement and copyright and all other intellectual property in all the Acquired Property shall thereupon vest in the Hong Kong Government absolutely. For the avoidance of any doubt whatsoever the Consultant agrees that Government may use or reproduce in its entirety all or any part of the Acquired Property supplied, devised or developed in whole or in part by or on behalf of the Consultant save for Acquired Property supplied to the Hong Kong Government by or on behalf of the Consultancy on a basis expressly designated as "Confidential".

(3) Except as required by Federal or State legislation in the United States, the Consultant will not disclose the terms and conditions of this Agreement or disclose to any person or make use of in any way whatsoever any information referred to in para one of this section or any Acquired Property otherwise than in the performance of this Agreement without the Hong Kong Government's express written approval in advance of disclosure or use.

IX ASSIGNMENT, SUBCONTRACTING AND SUPERINTENDENCE

- (1) The Consultant will not assign or subcontract this Agreement in whole or in part or any benefit or interest in its without the written consent of the Hong Kong Government and any such assignment or subcontracting which requires consent shall be in a form approved by the Hong Kong Government and the Contractor will remain fully liable to the Hong Kong Government for the undertaking, performance and completion of the Consultancy Services as if any such assignment or subcontracting had not taken place.

- (2) The Consultant will give and provide all necessary superintendence throughout the Term of this Agreement for the proper performance and execution of its duties under this Agreement.

- (3) No Agency, employment, partnership, joint venture or joint relationship is created hereby. The Government does not extend to the Consultant or the Consultant's Agents, employees or representatives any authority of any kind to bind the owner in any respect whatsoever.

X INVOICES

All requests for payment together with invoices shall be mailed in duplicate to:

Hong Kong Economic & Trade Office
British Consulate General
680 Fifth Avenue,
22nd floor,
New York,
NY 10019,
U.S.A.

XI CONDUCT OF THE CONSULTANCY SERVICES,
INDEMNITIES ARBITRATION AND LAW

- (1) The Consultant warrants that the Consultancy Services will be performed and completed in an independent and professional manner and that the Consultant and any person employed or engaged by it shall use all proper and professional skill, care and diligence in the performance of the Consultancy Services and the discharge of all duties and obligations.
- (2) The Consultant shall indemnify and keep indemnified the Hong Kong Government against all claims, costs and expenses incurred in respect of injury, loss or damage arising out of or in consequence of the Consultant's negligent performance or breach of its material obligations under this Agreement.
- (3) In no event shall the Government provide any indemnity to the Consultant or be liable to the Consultant in tort, contract or otherwise, for loss of revenue, loss of anticipated profits, claims of the Consultants' clients, or for any special or consequential damages.

- (4) Time is of the essence in all respects pursuant to this Agreement.
- (5) If any dispute or difference shall arise between the parties hereto touching any matter or thing connected with this Agreement the same shall be referred, following written notice of the existence of the dispute or difference given by one party to the other, to a mutually agreed single Arbitrator, sitting in Hong Kong, who shall arbitrate the dispute or differences in accordance with the provisions of the Arbitration Ordinance of Hong Kong or any statutory modification or re-enactment thereof for the time being in force.
- (6) The award of the Arbitration shall be final and binding on both parties.
- (7) This Agreement shall be subject to and construed in accordance with the laws of Hong Kong

XII CONFLICT OF INTEREST

- (1) During the currency of this Agreement, the Consultant will not, without prior written consent of the government, accept engagement or otherwise render any services to other individuals, firms, corporations or entities in connection with any public relations

program that involves interests or positions in conflict with those of the government of which the Consultant is or ought reasonably to be aware. In cases where the conflict or potential conflict is in doubt, the Consultant will accordingly first seek the government's views as to the applicability of this paragraph. For its part, the government agrees that it will not require the Consultant to decline an engagement unless it is satisfied that any such engagement could have an adverse impact on the effectiveness of the Consultant's services herein.

- (2) In the event that the Government shall determine, at its sole discretion, that a conflict of interest exists or is likely to arise as a result of an existing or new Consultancy or other service undertaken by the Consultant the Government shall at its option be entitled immediately to terminate this Agreement.

XIII NOTICE

Any notice, request, demand, report or other communication that is required or contemplated hereunder shall be in writing and addressed as follows:

All notices to the Government Representative shall be sent

to: Director, New York
Hong Kong Economic and Trade Office
British Consulate General
680 Fifth Avenue
22nd Floor, New York
NY 10019, USA

All notices to the Consultant shall be sent to:

The GCI Group Inc.
777 Third Avenue
38th floor
New York
NY 10017, USA

In Witness whereof This Agreement has been entered into on the
day and year first above written

Signed by
for and on behalf of the
Consultant in the
presence of

)
)
)
)
Ray J. Jansland

Witness: Signature
Name
Address

FANWAI MING
680 FIFTH AVE 22/F
NEW YORK NY 10019

Signed by
for and on behalf of the
Hong Kong Government in the
presence of:-

)
)
)
)
[Signature]

Witness: Signature
Name
Address

Lynn Schwartz
GCI Group
777 Third Ave, NYC 10017