

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials 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 of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the Administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public. Finally, the Attorney General intends, at the earliest possible opportunity, to make these public documents available on the Internet on the Department of Justice World Wide Web site.

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, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 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 STRATEGY XXI GROUP, LTD. 515 Madison Avenue, 34th Floor New York, NY 10022		2. Registration No. 5273
3. Name of foreign principal China National Tourism Administration	4. Principal address of foreign principal A9 Jianguomennei Avenue Beijing 100740 P.R. China	
5. Indicate whether your foreign principal is one of the following: <input checked="" type="checkbox"/> Foreign government <input type="checkbox"/> Foreign political party <input type="checkbox"/> Foreign or domestic organization: If either, check one of the following: <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Association <input type="checkbox"/> Individual-State nationality		
6. If the foreign principal is a foreign government, state: a) Branch or agency represented by the registrant. China National Tourist Administration b) Name and title of official with whom registrant deals. Yanjun Sun, Director of China Tourist Office, NY		
7. If the foreign principal is a foreign political party, state: Not applicable 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

Tourism promotion

b) Is this foreign principal

Supervised by a foreign government, foreign political party, or other foreign principal Yes No

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

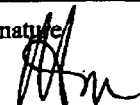
Subsidized in part by a foreign government, foreign political party, or other foreign principal Yes No

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

The China National Tourism Administration reports to the State Council, which is the Executive Branch of the Chinese Government.

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.

Not applicable

Date of Exhibit A	Name and Title	Signature
10/18/01	Harriet Mouchly-Weiss Managing Partner	

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. One original and two legible photocopies of this form shall be filed for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

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Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .33 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, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

1. Name of Registrant STRATEGY XXI GROUP, LTD.	2. Registration No. 5273
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3. Name of Foreign Principal
China National Tourism Administration

Check Appropriate Boxes:

- 4. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
- 5. There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- 6. 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 expenses, if any, to be received.

SECRET

7. Describe fully the nature and method of performance of the above indicated agreement or understanding.

To promote China tourism.


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

Not applicable.

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below? 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.

Not applicable

Date of Exhibit B	Name and Title	Signature
10/18/01	Harriet Mouchly-Weiss Managing Partner	

Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any 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 interests, policies, or relations of a government of a foreign country or a foreign political party.

April 8, 2001

Mr. Yanjun Sun
Director
China National Tourist Office
350 Fifth Avenue, Suite 6413
New York, NY 10118

Dear Mr. Sun:

The following, when signed by you, will constitute an Agreement by and between Strategy XXI Group, Ltd. (SXXI) and China National Tourist Office (CNTO).

Term of Agreement:

The term of the agreement shall be for a period of fifteen weeks, beginning on April 1, 2001 and concluding on July 6, 2001, or as long as it takes to complete the workplan.

Scope of Work:

The scope of work is in the attached "Action Plan" which includes media monitoring and follow-up.

Fees and Expenses:

a. Fees

The fee to SXXI is Thirty Five Thousand Dollars (\$35,000.00). Seventeen Thousand Five Hundred Dollars (\$17,500.00) is due upon signing of this Agreement (first invoice enclosed), and Seventeen Thousand Five Hundred Dollars (\$17,500.00) upon completion of the project.

b. Project Add Ons

✓Additional professional services or project add ons not specifically referenced in the attached action plan related to CNTA U.S. Marketing Campaign in June will be billed separately as approved.

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c. Direct Expenses

Direct Expenses in the terms of this Agreement include reasonable expenditures for: business expenses (telephone, fax, postage, local transportation) which we estimate at \$1,000 a month, or a total of \$3,000 to cover the months of April, May and June; \$5,000 is estimated to cover the costs of press kit production, invitation /flowers/name tags for VIPs, and other invitees for DC events. Any other expenses from third party sources will be approved in advance by CNTO and travel at standard business class rates (out of town travel must be approved by CNTO in advance). All Direct Expenses will be billed at cost at the end of each month as actually incurred; and CNTO agrees to reimburse such expenses upon receipt of invoice.

Note that certain, major expenses (such as NYT and National Zoo) will be billed and will need to be paid in advance. We cannot begin these major projects without receiving the full payment in advance. Costs for extra security if necessary will be considered direct expenses and approved by CNTO separately.

All invoices will be paid by CNTO within thirty (30) days of receipt.

Payments shall be made via wire transfer to Strategy XXI Group's New York bank:

Strategy XXI Group, Ltd.
Citibank N.A., 399 Park Ave.
Business Banking Center
New York, NY 10043
ABA Routing # [REDACTED]
Account No. [REDACTED]

Ownership of Materials

All materials produced at CNTO's expense by SXXI shall be the property of CNTO upon receipt by SXXI of payment in full for the cost of all materials and other direct expenses plus all fees due. Upon receipt of payment, Strategy XXI agrees to transfer and assign all copyright interest in said materials to CNTO.

Confidentiality

SXXI recognizes that during the course of its communications work with CNTO, it may have occasion to conceive, create, develop, review, or receive information that is considered by CNTO to be confidential or proprietary. If information is explicitly designated as Confidential Information by CNTO, both during the term of its work with CNTO and thereafter:

SXXI agrees to maintain in confidence such Confidential Information unless or until:

- It is known to SXXI at the time of disclosure to SXXI by CNTO as evidenced by written records of SXXI;
- It shall have been made public by an act or omission of a party other than SXXI; unless made public in the course of SXXI interviews pursuant to the action plan.
- SXXI shall receive such Confidential Information from an unrelated third party on a non-confidential basis;
- The restriction is removed by CNTO.

Indemnification

CNTO agrees to indemnify SXXI and its officers, directors, employees, and agents against any and all claims that arise from or in connection with materials that were prepared or approved by CNTO or any of its employees, agents, or independent contractors.

This Agreement can be extended by the mutual consent of both parties.

If the foregoing is a fair representation of our Agreement, please confirm the same by countersigning a copy of this letter and returning same to us.

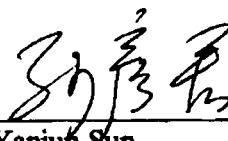
We look forward to working with you.

Sincerely,



Harriet Mouchly-Weiss
Managing Partner
Strategy XXI Group, Ltd.

Agreed to and Accepted:



Yanjun Sun
Director
China National Tourist Office
New York

Action Plan for
Strategic Media Support for
China National Tourism Administration
Promotional Campaign in the United States

(Strategy XXI Group, April 1, 2001)

(1) Major elements of event and media support:

Item I: Media material development and distribution	Action By	Deadline	Status
Messaging content development/approval	SXXI/CNTA	Apr 10	
News release draft / approval	SXXI/CNTA	May 10	
Press kit (press release of event, speeches by Minister He and Ambassador Yang and by others if any, highlights of China tourism) writing/approval	SXXI/CNTA	May 10	
Press kit production	TBD		
Press kit distribution / placing news on BusinessWire	SXXI	June 10	
Media monitoring and press clipping kit including newspaper clipping, transcripts and video	SXXI	July 6	

Item II: CNTA Roadshow Opening Ceremony and News Conference in Washington DC	Action By	Deadline	Status
Venue selection & confirmation for the ribbon cutting ceremony (tentatively performance at 4:00pm followed by the opening ceremony +press conference at Panda House, Smithsonian National Zoo)	SXXI	Apr 10	
Venue Selection and confirmation of the news conference (on the premises of Smithsonian National Zoo)	SXXI	Apr 10	
Submission of initial confirmed list of VIP attendees	CNTA/NYO	Apr 10	
Submission of major US, Chinese and US-Chinese media lists	SXXI	Apr 10	
Development of a slogan for the backdrop /approval	SXXI/CNTA		
Media invitation/RSVP	SXXI	June 5	
Advance visit of the site	SXXI/NYO	June 5	
Set up the stage for the opening ceremony	SXXI	June 14	
Backdrop production for both Ceremony and Conference	SXXI	June 1	
On-site support for media registration	SXXI	June 15	

Note:

- We have the agreement for holding the event from the Zoo and will obtain the endorsement for the press conference from Smithsonian as soon as we send them a formal request with the final authorisation from CNTA.
- We will work closely with the Chinese Embassy and NYO to make sure the security is in place. There might be some additional costs for extra security if the park and district police are not sufficient.
- We will send invitation to over 100 journalists for the DC event with the hope of 20 to 25 turnout.

Item III: One-on-one interviews in New York City	Action By	Deadline	Status
Venue selection & confirmation for the interviews (tentatively 9:00am to 11:00am at Foreign Press Center on June 18)	SXXI	Apr 10	
Submission of initial confirmed list of interviewees	CNTA/NYO	Apr 10	
Submission of media lists	SXXI	Apr 10	
Media invitation/RSVP	SXXI	June 10	

Note: We will set up 4-5 one-on-one interviews plus a roundtable media discussion with several journalists.

Item IV: Organising local media to report on cities covered by the roadshow	Action By	Deadline	Status
Submission of media lists for the cities of Philadelphia, Richmond, Charleston, Orlando, Kissemmee, Miami and Chicago	SXXI	Apr 10	
Media invitation/RSVP	SXXI	June 1	
Press kit distribution	SXXI	June 10	
Media co-ordinating centre from New York City at SXXI	SXXI		
Local media support in each city one person from SXXI travelling with the roadshow	SXXI		

Note:

* We have not included any cost for hiring extra security for any of these events but we suggest that all local police should be alerted to the events to prevent any possible incidents such as demonstrations.

* Depending on the needs of support in bigger markets such as Philadelphia, Chicago and Miami, we might send additional staff, at additional cost.

(2) Placement and Production of Ad Supplement on the New York Times

Placement and Production of Ad Supplement on the New York Times	Action By	Deadline	Status
Initial discussion with NYT to confirm the format and ad product options	SXXI		Done
Submission of initial materials for the supplement	CNTA/NYO	April 10	
Creative/material development/supervision /approval	SXXI/CNTA		
Layout/design/Printing/production	SXXI		
Final approval	CNTA	May 1	
Confirmation with NYT	SXXI	May 11	
Submission of the final materials to NYT	SXXI	May 18	

Note for the NYT Magazine ad placement:

- (1) The above recommendation for the New York Times Magazine is different from our previously suggested tabloid-size free-standing-inserts (FSI). Upon our further research, we found that FSIs are placed in “bundles” with other advertisements, tending to be treated as “junk mail”. Further, its costs are more than the NYT Magazine (\$298,800 quoted last time for FSI was only for media distribution, not including material development, design and printing).
- (2) The New York Times Magazine is the best tool for CNTA’s promotion purpose. It is read as an essential part of The New York Times on Sundays. In addition to its strong coverage elsewhere in the USA, it offers unparalleled reach in the nation’s largest and wealthiest market, the New York DMA (“designated marketing area”), which includes 28 counties around New York City in the states of New York, Connecticut, New Jersey and Pennsylvania, along with commanding national presence. Please see the table below:

	Circulation in DMA	National Circulation
The NYT Magazine	913,594	1,691,287
The Wall Street Journal	234,292	1,812,590
Business Week	151,326	923,786
Forbes	117,800	819,886
Fortune	101,340	818,791

Further, readers of the NYT Magazine stand out even among the most affluent adults in the US. In Mendelsohn's survey of affluent adults (Household income \$75,000+), Sunday Times readers have a median household income of \$139,700 – 32% higher than the average affluent median of \$105, 738. They are also significantly more likely than average U.S. affluent consumers to hold advanced degrees and to occupy top management positions.

- (3) We suggest that the date for placing the advertising be on June 10, the Sunday before the actual event starts. This will alert the readers and therefore attract more audiences and visitors to the events.

The deadline for ordering the space in the June 10 edition of the New York Times Sunday Magazine is April 16th. This amount of lead time is needed in order to assure that the printing and binding of the material happens on time. By April 16th, SXXI as CNTA's agency will need:

First, CNTA you must send to SXXI a signed contract, assigning SXXI this project. Only with this formal authorisation, will SXXI have the authority to place the insertion order on CNTA's behalf.

Second, the initial payment must be made to SXXI of 50% of the price of the advertorial.

SXXI will have to have all the material (written, photographic, advertising) in final form and delivered to the newspaper by May 10. In fact SXXI has already started to work on development of themes for CNTA to consider and approve.

- (4) The above quotation by *The New York Times* covers production and/or media distribution, as well as creative development (design and text) and supervision by SXXI.

Note for abbreviated terms:

CNTA: China National Tourism Administration
NYO: China National Tourism Office in New York
SXXI: Strategy XXI Group

Updated on April 1, 2001

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