

香港特別行政區政府
工商及科技局
工商科

香港金鐘道八十八號
太古廣場第一期二十九樓

Our Ref : CIB CR 12/10/2



COMMERCE AND INDUSTRY BRANCH
COMMERCE, INDUSTRY AND
TECHNOLOGY BUREAU
GOVERNMENT OF THE HONG KONG
SPECIAL ADMINISTRATIVE REGION

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17 December 2002

Clerk to Public Accounts Committee
(Attn : Miss Sandy CHU)
Legislative Council Building
8 Jackson Road,
Central, Hong Kong

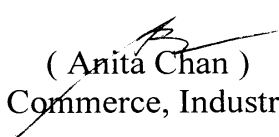
Dear **Miss Chu,**

**The Director of Audit's Report on the
results of value for money audits (Report No. 39)**

Thank you for your letter of 11 December 2002 to the Secretary
for Commerce, Industry and Technology.

We would like to clarify that the Administration had used the
Small and Medium Enterprises Committee's assumption of a 25% default
rate of the guaranteed loans under the Special Finance Scheme(SFS) in
assessing the amount of money to be recouped from the SFS when we
sought the funding approval of the Finance Committee (FC) of
Legislative Council (LegCo) for the establishment of four SME funding
schemes in October and November 2001. As requested, please find the
relevant Panel and FC papers enclosed for reference.

Yours sincerely,


(Anita Chan)

for Secretary for Commerce, Industry and Technology

c.c.

Secretary for Financial Services and the Treasury)	
Director-General of Trade and Industry)	
Director of Accounting Services)	- w/o
Director of Audit)	

***Note by Clerk, PAC:** *Panel and FC papers not attached.*