

Our Ref : LM to IHK/AMB/2/3 IV

21 May 2004

Mr Eric Li
Chairman
Public Accounts Committee
c/o Legislative Council Building
8 Jackson Road
Central
Hong Kong

{Urgent by fax}

Dear Sir,

**Harbour Fest
Memorandum of Understanding**

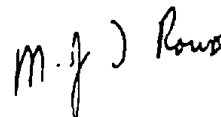
At the meeting of the Public Accounts Committee held on 20 May 2004, in response to a Member's question, I indicated that I did not recall having seen the first MoU dated 31 July 2003 before it was signed and arrangement made for payment of \$25 million to AmCham. That statement remains correct, but is incomplete.

After an exhaustive search of our records, we have found an e-mail dated 30 July sent by my deputy Ms Ophelia Tsang to my personal e-mail address at home. I did not see that e-mail until 3 August as I was on leave and out of town.

I would like to apologise for this lapse of memory, and hope this letter clarifies the position.

I would also like to repeat my statement to the Committee that Ms Tsang's decision to sign the MoU and effect payment was in my opinion understandable in the exceptional circumstances prevailing. I take full responsibility for it.

Yours faithfully,



(M J T Rowse)

Director-General of Investment Promotion

Invest Hong Kong 投資推廣署

The Government of the Hong Kong Special Administrative Region 香港特別行政區政府

15th Floor, One Pacific Place, Queensway, Hong Kong 香港金鐘太古廣場第一期十五樓

Telephone 電話: (852) 3107 1001 Facsimile 傳真: (852) 3107 9006 E-mail 電子郵件: dg@InvestHK.gov.hk Web Site 網址: <http://www.InvestHK.gov.hk>

cc Financial Secretary
Secretary for Commerce, Industry and Technology
Director of Audit
Secretary for Financial Services and the Treasury
(Attn: Mr Manfred Wong)