

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

15 June 2004

Ms Miranda Hon
Clerk to Public Accounts Committee
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Ms Hon,

**The Director of Audit's Report on the
Results of Value for Money Audits (Report No. 42)
Chapter 4 : Hong Kong Harbour Fest**

I refer to your letter of 7 June 2004.

On (a), following the broadcast of the TV special on Harbour Fest in the USA on the MTV2 and MTV channels in January and February 2004 respectively, the same video was aired locally in Hong Kong on TVB Pearl on 1 May and in 34 countries in Asia and the Middle East in May on the STAR World International and STAR World India channels. According to AC Nielson, the third airing of the video on the MTV channel achieved a viewership of 0.2 million households in the USA, representing about 314,000 viewers. The American Chamber of Commerce in Hong Kong (AmCham) advised that the ratings for MTV2 are not released to the public. TVB has advised that there were 136,000 viewers of the local showing. STAR has also advised that the five broadcasts on their channels (two broadcasts on 5 & 6 May on STAR World International and three broadcasts on 19 & 20 May on STAR World India) were seen by 625,000 people in Hong Kong, Singapore, India and metro Manila. STAR World reaches 15 million homes in the 34 countries, but it is not possible to quantify the total number of people who watched the TV special as the company

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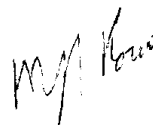
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does not monitor the viewership in places other than the four mentioned.

On (b), InvestHK wrote to AmCham on 27 May 2004 requesting permission for the Director of Audit to have access to the records of AmCham and Red Canvas Limited on matters relating to Harbour Fest. We are still awaiting a formal reply from AmCham, but have been advised that both AmCham and Red Canvas are prepared to allow access to the same files as examined by the Panel of Inquiry.

In passing, you may wish to note that the ICAC is carrying out an investigation, and the Administration has also referred the Inquiry Panel Report to the Police for further follow-up action as deemed necessary.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M J T Rowse', written in a cursive style.

(M J T Rowse)

Director-General of Investment Promotion

c.c. Financial Secretary
Director of Audit
Secretary for Financial Services & the Treasury
(Attn.: Mr Manfred Wong)