

**Item (a): Chronology of why the cost of alcoholic drinks was not included in the expenditure for the dinner on 18 September 2007 referred to in paragraph 3.7(b) of the Report of the Independent Review Committee on ICAC's Regulatory Systems and Procedures for handling Official Entertainment, Gifts and Duty Visits ("the IRC Report"), and the relevant documents.**

The following is the chronological account of the arrangement:

- 11 September 2007
- Hong Kong Mainland Liaison Office (HKMLO) sent an email to the Finance Office of the Administration Branch (Finance Office) to confirm funds under Official Entertainment (Common Services) for former Commissioner's hosting two dinner receptions and HK\$510 to procure six bottles of red wine (HK\$85 each)\* for the two dinner receptions. One of them was the subject dinner on 18 September 2007 with an estimated expenditure of HK\$6,000 for 15 people.
  - On the same day, the Finance Office confirmed the funds by email and reminded Chief Liaison Officer of HKMLO that the cost of wine should be counted towards the estimated expenditure, resulting in the ceiling of HK\$400 (per head for dinner) being exceeded, and that former Commissioner's approval should be sought with justifications.

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\* Four bottles of red wine (HK\$80 each) were subsequently procured on 18 September 2007.

- 14 September 2007
- Further to the previous email, HKMLO wrote to the Finance Office to request for additional funds of HK\$400 for the subject dinner as former Commissioner had assigned one more ICAC officer to attend the dinner. The total number of people attending was therefore 16 and the estimated expenditure was HK\$6,400. The Finance Office then confirmed the funds.
  - HKMLO submitted a minute to former Commissioner to seek his approval for the subject dinner for 16 people at an estimated expenditure within HK\$6,400.
- 18 September 2007
- Around noon, former Commissioner verbally instructed to procure two bottles of moutai for the subject dinner.
  - HKMLO wrote to the Finance Office to apply for additional funds of HK\$1,800 for the procurement of moutai and mentioned that former Commissioner's written approval would be sought.
  - Confirmation of funds from the Finance Office was received in the afternoon, attaching corresponding emails within the Finance Office that they would advise HKMLO to count the wine cost towards the expenditure, resulting in the ceiling of HK\$400 (per head for dinner) being exceeded, and that former Commissioner's approval should be sought.

- While staff of Community Relations Department had no knowledge of moutai suppliers, staff of Office of Strategic Research (OSR) undertook to procure two bottles of moutai (HK\$1,476) and four bottles of red wine (HK\$320) before the dinner.
  - Dinner was held as scheduled.
- 19 September 2007
- Staff of OSR applied to the Finance Office for reimbursing the payment of HK\$1,796 for the six bottles of liquor.
- Late October 2007
- Since former Commissioner's prior written approval to procure moutai and red wine for the dinner had not been obtained, he was asked to certify on the receipt, and his signature was accepted by the Finance Office as valid retrospective approval.