

To: <fso@fso.gov.hk>
 cc:
 Subject: Retail tax and tax
 technology to hong kong

concession for attracting growth

19/07/2006 13:16

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| [ ] Urgent |
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Dear Mr. Tong,

I was surprised by the indication of 5% in retail tax. I would see 3% be less of an issue with the public at large. Likewise, the cost of administration is quite high 30% of your projected income based on 5%.

I believe there will be a large protest on 5% rate as many legislative are opposed to it.

I am very surprised you have not mentioned tax concessions to growth industries in the technology world to attract high technology companies to hong kong and establish a hi tech design hub for the rest of the world and further strengthen the foundations of hong kong in 4 areas, finance, technology, tourism and medicine.

I do not think from the current status of your investment in ASTRI has bared any marked fruits to do anything for hong kong. Look at how they market and attract business. The past 4 years of its operation has done nothing to attract major JVs with multinationals to use the hong kong 'technology' which is a Me too compared to technology companies on the fast track. NO real break through technology. so why bother wasting public money here, why not invite capable industries with patented and growth to come to hong kong based on tax concessions and incubate the skills needed for local industry to use the skills and grow with the fast track overseas companies.

Enough said.

Summary: 5% tax is a no go and you will get very heavy resistance, 3% is doable and you should convince the poor with below the line income that they will not be taxed!.

Invite real technology companies which conduct real R&D in hong kong and not application/design work only (this will tend in the long run go to china and you have a serious technology unemployment rate on your hands).

take care

(Name Provided)

(Editor's note: The sender requested anonymity.)