

Select Committee to Inquire into Matters Relating to the
Post-service Work of Mr Leung Chin-man

Witness Statement of Mr David CHOW Chor-kong

I, David CHOW Chor-kong, was the Assistant Director (Administration) (“AD(Adm)”) of the Housing Branch of the Transport and Housing Bureau (“THB”) from 2.1.2007 to 30.12.2008. In preparing this witness statement, I set out the questions raised by the Select Committee and then provide my answers to the best of my knowledge.

In answering the following questions, I have also sought assistance from my former colleagues of THB to provide relevant information and to peruse relevant files and records.

The vetting and assessment of post-service work applications from directorate civil servants

Q1. The procedure adopted by the Housing Branch of the Transport and Housing Bureau in assessing post-service work applications from directorate civil servants and your role and participation in the matter.

A1. The Assistant Director (Administration) (“AD(Adm)”) will first examine the information provided by the applicant on the application form with reference to Civil Service Bureau (“CSB”) Circular No. 10/2005. If it is observed that there are aspects which may give rise to potential conflict of interest situations in the prospective post-service work, the handling officer will then proceed to conduct file research, consult other senior directorate officers and alert the Permanent Secretary for Transport and Housing (Housing) (“PS(H)”).

AD(Adm) will make a submission to PS(H) via Deputy Director (Corporate Services) (“DD(CS)”) with assessment and recommendations together with a draft completed assessment form for return to CSB, if required.

At the time, I was the AD(Adm) responsible for examining the application and making a submission to PS(H) via DD(CS).

The vetting and assessment of Mr LEUNG's application for post-service work with New World China Land Limited ("NWCL")

Q2 *According to the report on the processing of the application from Mr LEUNG to take up post-service outside work with NWCL submitted by the Secretary for the Civil Service to the Chief Executive, on 10 June 2008, the Housing Branch of the Transport and Housing Bureau advised the Civil Service Bureau that Mr LEUNG did not have any contractual or legal dealings or any other official contacts/dealings with NWCL during his service as Permanent Secretary for Housing, Planning and Lands (Housing) and Director of Housing. The Branch further advised that Mr LEUNG was not involved in the formulation of any policy or decisions, the effect of which benefited or could benefit the prospective employer. The Branch was also of the view that it was unlikely that Mr LEUNG's proposed appointment would give rise to any negative public perception or cause embarrassment to the Government. The Branch then recommended approval of the application without any restriction other than the standard work restrictions. Please advise –*

Q2 (a) *your role in vetting Mr LEUNG's application ;*

A2 (a) In my capacity as the then AD(Adm) at the time of processing Mr LEUNG's application, I was the first officer handling the application in the Housing Branch of the Transport and Housing Bureau. On receipt of the memo from the Secretary for the Civil Service ("SCS") dated 19 May 2008 inviting comments on Mr LEUNG's application, I first examined the information provided by Mr LEUNG in the application form and made assessment and recommendations with reference to the guidelines set out in CSB Circular No. 10/2005. My views were routed on file through DD(CS) to PS(H) for consideration.

Upon PS(H)'s endorsement of the application, I replied by memo to SCS dated 5 June 2008 stating no objection to Mr LEUNG's application. The completed Part III Assessment A of the application form was returned to SCS on 10 June 2008 for

necessary action.

Q2 (b) *the internal consultation undertaken by the Housing Branch in vetting Mr LEUNG's application :*

A2 (b) Only AD(Adm), DD(CS) and PS(H) were involved in processing Mr LEUNG's application.

Q2 (c) *the views of the Housing Branch on the information provided by Mr LEUNG in the application form :*

A2 (c) Based on the information provided by Mr LEUNG in the application form, the Housing Branch was of the view that it was unlikely that the information which Mr LEUNG came across during his tenure as Permanent Secretary for Housing, Planning and Lands (Housing) and Director of Housing would enable his prospective employer to gain undue/unfair advantage over its competitors. The possibility for his former positions to benefit directly or specifically his prospective employer was also remote.

Q2 (d) *factors considered by the Housing Branch in recommending approval of Mr LEUNG's application, including whether consideration had been given to (i) Mr LEUNG's involvement in housing projects when serving as Permanent Secretary for Housing, Planning and Lands (Housing) and Director of Housing; (ii) Mr LEUNG's involvement in the Hunghom Peninsula development; and (iii) NWCL being a subsidiary company of New World Development Company Limited :*

A2 (d) Considerations were given to the factors described in paragraph 7 of CSB Circular No. 10/2005 in vetting Mr. Leung's application. The Housing Branch's assessment of Mr LEUNG's application was based on :

(i) the business of NWCL which is essentially conducted outside Hong Kong in the Mainland;

(ii) whether Mr LEUNG's involvement in housing projects when serving as Permanent Secretary for Housing, Planning

and Lands (Housing) and Director of Housing would enable NWCL to gain undue / unfair advantage over its competitors;

(iii) the possibility for his using information obtained in his former positions as Permanent Secretary for Housing, Planning and Lands (Housing) and Director of Housing to benefit NWCL; and

(iv) Mr LEUNG's right to pursue outside work after retirement.

There was no special consideration given to Mr LEUNG's involvement in the Hunghom Peninsula development and NWCL being a subsidiary company of New World Development Company Ltd.

Q2 (e) *the reasons for the Housing Branch's assessment that Mr LEUNG's applications would unlikely give rise to any negative public perception or embarrassment to the Government :*

A2 (e) As I understand it, the focus of the Housing Branch at the time of processing Mr LEUNG's application was NWCL. Mr LEUNG indicated in the application form that he would not be involved in the business of New World Development Company Ltd., NWCL's parent company. Therefore, it was assessed that there was no real or potential conflict of interest and it was unlikely that Mr LEUNG's proposed post-service work with NWCL would give rise to any negative public perception or embarrassment to the Government.

Q2 (f) *the reasons why the Housing Branch did not recommend additional work restrictions on Mr LEUNG's application :*

A2 (f) For the same reason as stated in (e) above, it was considered not necessary to recommend additional work restrictions on Mr LEUNG's application.

Q3. The personal relationship between you and Mr LEUNG

A3. I do not know Mr LEUNG personally.

David CHOW Chor-kong

4 March 2009