**Select Committee to Inquire into Matters Relating to The Post-service Work of Mr LEUNG Chin-man**

**Witness Statement of Mrs Pearl SIU NG Che-sheung**

This is a witness statement made by me, Mrs Pearl SIU NG Che-sheung, Chief Executive Officer (Administration) ("CEO(A)") of the Planning and Lands Branch ("PLB") of the Development Bureau ("DEVB"). 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. I have been the CEO(A) of the PLB since 16 August 2007. I am responsible for handling administration, financing, personnel and translation matters of the PLB.

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

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

A1. In accordance with the procedure adopted by the PLB of the DEVB in vetting and assessing post-service work applications from directorate civil servants and at the time when we processed Mr LEUNG's application, applications from directorate civil servants would first be forwarded by the PLB Confidential Registry to the Personal Secretary II of the CEO(A) for opening files. The files would then be forwarded to CEO(A). Upon receipt of the files, CEO(A) would bring the files to her supervisor, PEO(A) for attention. If PEO(A) advised that the applications should be handled in the usual manner (in accordance with the relevant Civil Service Bureau ("CSB") Circular(s)) as CEO(A), my role would be to search for relevant information, making analysis/comments/recommendations on the applications which would be set out in a minute per case in writing to be sent by me to the Permanent Secretary for Development (Planning and Lands) ("PS(PL)") for consideration and directive. The minute would be submitted via PEO(A) and either or both of the Deputy Secretaries of PLB for comments. In handling the applications, a Senior Executive Officer would assist me in some information search on

the web and making initial analysis/comments. Upon receipt of the PS(PL)'s directive, I would normally be responsible for conveying to CSB the reply endorsed by PS(PL).

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

***Q2. On 30 May 2008, the Planning and Lands Branch of the Development Bureau advised the Civil Service Bureau ("CSB") that Buildings Department had no contractual dealings with NWCL or its parent company, New World Development Company Limited ("NWDCL"). However, there were building plans submissions for development projects under the Buildings Ordinance made by the subsidiary companies of NWDCL. Please advise -***

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

A2.(a)(i) My role in vetting Mr LEUNG's application was that: On 19 May 2008 (Monday), I received a PLB file ("the File") from my Personal Secretary II containing a latest memo from the Secretary for the Civil Service ("SCS") on application for Post-service Outside Work of Mr LEUNG Chin-man, former Secretary for Housing, Planning and Lands (Housing)/Director of Housing, for permission to take up a full-time paid appointment with New World China Land Ltd ("NWCL") as Executive Director ("the Application"). On the same day, 19 May 2008, I brought the SCS's memo to the attention of Ms Wilma TOONG, PEO(A). I was then told by Ms TOONG that the Application was to be handled in the usual manner (By usual manner, please refer to paragraph 1 above.) In vetting the Application, my Senior Executive Officer (Personnel) assisted in some information search on the web and making initial analysis/comments.

(ii) As Mr LEUNG was the Director of Buildings ("DB") from October 1999 to June 2002, and in the course of information searching, on 20 May 2008 (Tuesday), I sent an email to Mr S. T. LAM, the then Assistant Director/Support, Buildings Department ("BD") asking him for information of dealings e.g. contractual dealings between the NWCL and its parent company, New World Development Co. Ltd. and the

BD and any other comments he might have on the Application. On 22 May 2008 (Thursday), Mr LAM replied to me by email that the BD did not have contractual dealings with NWCL or its parent company New World Development Co. Ltd. However, there are building plans submissions for development projects (e.g. HungHom Peninsula project, Tsim Sha Tsui New World redevelopment project) made under the Buildings Ordinance by the subsidiary companies of the New World Development Co. Ltd.

(iii) When I finalized a written minute on the Application on 26 May 2008 (Monday), which contained my analysis of the case and proposed reply to CSB, the File with the written minute was submitted to Mrs Susan MAK (who was the acting PS(PL) at the time) for her consideration and directive via Ms Wilma TOONG, PEO(A) and Mr Tommy YUEN, Deputy Secretary (Planning and Lands) 2.

***(b) the internal consultation undertaken by the Planning and Lands Branch in vetting Mr LEUNG's application;***

A2.(b) The internal consultation by me in my capacity as CEO(A) included (1) the seeking of comments from the BD on the Application by email (please refer to paragraph A2(a)(ii) above) and (2) the submitting of a minute in writing by me in my capacity as CEO(A) to Mrs Susan MAK (who was acting the PS(PL) at the time) for her consideration and directive on the Application (please refer to paragraph A2(a)(iii) above). Apart from the above, no other consultation was made by me.

***(c) the views of the Planning and Lands Branch on the information provided by Mr LEUNG in the application form;***

A2.(c) According to my personal view and based on the factors listed in paragraph A2(d) below, the information provided by Mr LEUNG in the application form showed that his proposed appointment was a Mainland-oriented job.

*(d) **factors considered by the Planning and Lands Branch in giving its response on Mr LEUNG's application, including whether consideration had been given to Mr LEUNG's involvement in lands/building projects when serving as Director of Buildings and Building Authority; and***

A2.(d)(i) As I understand it, one of the key factors taken by the PLB in vetting and considering post-service work applications from directorate civil servants is whether or not there is conflict of interest between the duties (position of work) in which the applicant was involved during his former government service and his/her proposed work (including the potential employer). In considering Mr LEUNG's application, PLB focused on whether Mr LEUNG's major duties and responsibilities with the proposed employer, the NWCL and its parent company, the New World Development Company Limited had conflict of interest with Mr LEUNG duties during his tenure as the DB from October 1999 to June 2002.

(ii) According to the information provided by Mr LEUNG in the application form, the business of his proposed employer, the NWCL, was mainly in the Mainland. The NWCL's proposed appointment for Mr LEUNG would only involve Mr LEUNG to manage the NWCL's business in the Mainland. Mr LEUNG would also be based in a major city in China (exact location to be decided). According to the BD, they have no contractual dealings with NWCL or its parent company (i.e. New World Development Company Limited). However, there are building plans submissions for development projects (e.g. HungHom Peninsula project, Tsim Sha Tsui New World Development project) made under the Buildings Ordinance by the subsidiary companies of New World Development Company Limited. PLB had accordingly on 30 May 2008 set out BD's reply above to CSB for overall consideration.

(iii) In considering the Application, PLB had taken note of a speech of the former Chief Secretary (Mr Rafael HUI) on 17 May 2006 speaking at a motion in LegCo on "Supporting the conclusion and recommendations made by the Public Accounts Committee on the development of a site at Sai Wan Ho" as follows :

*"The PAC Report does not consider that the former BA (i.e. Mr LEUNG) has acted ultra vires or abused his power. The ICI is also of the view that he should bear no blame. From the*

*legal perspective, we cannot say that the former BA has not acted in accordance with the law or extend beyond the power vested in him by the law in handling the Sai Wan Ho development. He has acted in accordance with the relevant legislation and the established procedures, and made reference to previous cases in discharging his duties as the BA."*

According to my personal view, and in the light of the foregoing factors, although Mr LEUNG was involved in the Sai Wan Ho development, it seemed that the Application might not constitute conflict of interest or negative public perception in this respect.

***(e) the reason for the Planning and Lands Branch to highlight the fact that there were building plans submissions for development projects under the Buildings Ordinance made by the subsidiary companies of NWDCL.***

A2.(e) In its reply to CSB on 30 May 2008, PLB merely set out the information provided by the BD that there were building plans submissions for development projects under the Buildings Ordinance made by the subsidiary companies of New World Development Company Limited.

***Q3. CSB sought views from the Planning and Lands Branch as to whether they had any specific comments on Mr LEUNG's application. In its reply, the Planning and Lands Branch had made no comment. Please provide the reason for the Planning and Lands Branch not providing any specific comments on Mr LEUNG's application.***

A3. On the afternoon of 30 May 2008 (Friday) at 3:33 p.m., I received an email from Ms Jenny CHEUNG, Senior Executive Officer (Pensions) of CSB. In the email, Ms CHEUNG acknowledged receipt of our memo dated 30 May 2008 (sent by fax to CSB on morning) and asked whether we had any specific comments on the Application. I consulted Ms TOONG, PEO(A), on this email. Our reply to CSB (30 May 2008 at 3:50 p.m.) was nil comments for the following two reasons :

(i) On the morning of 30 May 2008 (Friday), I received the File contained in a confidential envelope. There was a directive from Mrs MAK, acting PS(PL) dated 28 May 2008 (Wednesday) marked on my minute (submitted to her on

26 May 2008) that she agreed to Ms TOONG's suggestion made in the minute (paragraph 21) on 27 May 2008 as extracted below -

*"As SCS has asked us to comment on Mr Leung's application in view of the business nature of the company, we should refrain from giving a recommendation on Mr Leung's proposed appointment.";*

and that our reply should include only "According to the Buildings Department, they have no contractual dealings with NWCL or its parent company (i.e. New World Development Company Limited). However, there are building plans submissions for development projects (e.g. HungHom Peninsula project, Tsim Sha Tsui New World Development project) made under the Buildings Ordinance by the subsidiary companies of New World Development Company Limited." After receipt of the File, I brought it to Ms TOONG drawing her attention to the directive from Mrs MAK. In accordance with Mrs MAK's directive as marked on the minute dated 28 May 2008, I sent a memo reply to SCS on the morning of 30 May 2008.

(ii) As our memo of 30 May 2008 had already set out the reply of the PLB with regard to the Application and there was no change thereon, we had no further specific comments on the Application.

***Q4. The personal relationship between you and Mr LEUNG***

A4. I have no personal or official relationship with Mr LEUNG.

Pearl SIU NG Che-sheung
4 March 2009

END