

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

**Further information provided by Miss Denise YUE Chung-ye
in response to the Clerk to Select Committee's letter of 26 May 2010**

1.	<p>According to the written statement you have provided to the Select Committee (SC(2) Paper No. W3(C), response to question 20), you stated that "It had not occurred to me that Mr LEUNG's involvement in the Hunghom Peninsula incident, in which NWCL had no involvement (as it was a company involved in property development in the Mainland only) as far as I understood, should be a relevant factor in the consideration of Mr LEUNG's application." At the hearings of the Select Committee held on 15 and 21 April 2009, you gave evidence that in vetting and approving Mr LEUNG Chin-man's application for taking up post-service work with New World China Land Limited, the Hunghom Peninsula case was not in your mind and you had not associated the application with the Hunghom Peninsula case. Please advise/clarify:</p>
(a)	<p>when and how you were first aware of the Hunghom Peninsula case;</p> <p><i>Miss Yue's Response : In the discharge of my duties from July 2002 onwards to around July 2008 (as Permanent Secretary for Commerce and Industry from July 2002 to January 2006 and as Secretary for the Civil Service from January 2006 onwards), I had not come across the Hunghom Peninsula case. I recalled that I had read some media reports on converting the Hunghom Peninsula project from a Private Sector Participation Scheme project into a private residential development project, the possible demolition of the Hunghom Peninsula buildings and the subsequent abandonment of the demolition idea. As such media reports were made in 2003 and 2004, I think I must have read them then.</i></p>
(b)	<p>whether you were aware of the Hunghom Peninsula case when you considered Mr LEUNG's application; if yes, what was your consideration of this factor in vetting and approving Mr LEUNG's application; if no, what was the reason for your unawareness;</p>

Miss Yue's Response : When I considered Mr LEUNG's application in July 2008, I was made aware of the Hunghom Peninsula project in the form of building plans submissions to the Building Department under the Buildings Ordinance. This was because paragraph 8 of the minute of submission (dated 4 July 2008) to me on Mr LEUNG's application stated "PS(PL) does not raise objection for Mr Leung to take up the proposed appointment. PS(PL) advises that Buildings Department has no contractual dealings with New World China Land Limited or its parent company New World Development Company Limited. However, there are building plans submissions for development projects (e.g. Hung Hom Peninsula project, Tsim Sha Tsui New World redevelopment project) made under the Buildings Ordinance by the subsidiary companies of New World Development Company Limited." After taking into account this factor and the other considerations set out in the submission, I concluded that Mr LEUNG's proposed appointment would unlikely constitute problems of conflict of interest, and that I should approve it subject to some work restrictions in addition to the standard ones in view of Mr LEUNG's former senior position in the Government and to address the public perception issue.

When I considered Mr LEUNG's application in July 2008, I had not made any association of the application with the modification of premium issue relating to the Hunghom Peninsula project. This was because the modification of premium issue had not come to my mind, and it was not mentioned in the minute of submission either.

(c) when and how you were first aware of Mr LEUNG's involvement in the Hunghom Peninsula case; and

Miss Yue's Response : I was first made aware of Mr LEUNG's involvement in the modification of premium relating to the Hunghom Peninsula case in early August 2008 through reports in the media.

(d) whether you were aware of Mr LEUNG's involvement in the Hunghom Peninsula case when you considered Mr LEUNG's application; if yes, what was your consideration of this factor in vetting and approving Mr LEUNG's application; if no, what was the reason for your unawareness.

Miss Yue's Response : When I considered Mr LEUNG's application in July 2008, I was not aware of his involvement in the modification of premium issue relating to the Hunghom Peninsula case. This was because the modification of premium issue relating to the Hunghom Peninsula had not come to my mind, and the submission to me (dated 4 July 2008) on Mr LEUNG's application had not mentioned the modification of premium issue relating to the Hunghom Peninsula nor Mr LEUNG's involvement in this matter.