

**MR ALBERT HO** (in Cantonese): *The question that I am going to ask today is related to the integrity of the Chief Executive. As the saying goes, "The trust of the people can only be established with credibility." Being the head of the SAR, this is a very important issue.*

*I am not going to ask about the Chief Executive's unauthorized building works which is indeed a relatively minor issue; instead, my question is about his declaration of interest to the Executive Council when he resumed office, seeking to avoid conflict of interest. I guess he still clearly remembers that when he resigned his directorship with DTZ in December 2011 to stand in the Chief Executive election, he signed a contract with an Australian company, UGL, which intended to acquire DTZ. In the contract, there are two very important provisions specifying the services to be provided by him. Let me recap briefly. Firstly, he must continue to help DTZ promote its business after the acquisition and continue to serve as an adviser and referee. He has, however, purposely included a clause stipulating that no conflict of interest should be involved. This shows that he had envisaged that he would be elected the Chief Executive, and therefore stated that no conflict of interest should be involved.*

*Secondly, he must support UGL's acquisition of DTZ's business and refrain from issuing any statement denouncing the acquisition or damaging the reputation or role of DTZ and UGL staff. In return, he would receive no less than HK\$50 million in two phases, and an outstanding sum of about \$1.5 million of directors' remuneration ...*

**PRESIDENT** (in Cantonese): Please raise your question.

**MR ALBERT HO** (in Cantonese): *President, my question is — the abovementioned background information is very important — Chief Executive, that contract has legal effect, stipulating the service to be provided and the remuneration awarded, including both acts and omissions. In this connection, may I ask the Chief Executive how he can, as the Chief Executive, serve two masters at the same time? Although the remuneration he receives as the Chief Executive is not very high, he should not let Hong Kong people down. Why did he secretly serve another boss at the same time? Furthermore, why did he not declare this salaried job to the Executive Council? Is this a serious misconduct of public officers? Has his integrity gone completely bankrupt?*

(Dr LAM Tai-fai stood up)

**PRESIDENT** (in Cantonese): Dr LAM Tai-fai, what is your point?

**DR LAM TAI-FAI** (in Cantonese): *Please first rule if this question is relevant to the Policy Address before the Chief Executive replies.*

**PRESIDENT** (in Cantonese): I have permitted Mr Albert HO to ask this question, so it rests with the Chief Executive to decide whether or how he is going to reply.

**CHIEF EXECUTIVE** (in Cantonese): President, the question raised by Mr Albert HO has already been fully answered by me time and again in the community and in this Chamber of the Legislative Council. As Mr Albert HO has not raised any new information in his question, I can only give a brief answer that this is a normal resignation and post-resignation non-compete arrangement. Two people whom I do not know, namely an accountant and a management expert, have written articles in newspapers echoing that this is a perfectly normal resignation and non-compete arrangement. In response to all questions concerning this issue, government officials and I have already provided a clear account to the Legislative Council in this Chamber.

**MR ALBERT HO** (in Cantonese): *President, I am very surprised that Chief Executive LEUNG Chun-ying has the audacity to evade this question lightly. As a matter of fact, many academics, experts and legal personnel pointed out that this was a very unusual arrangement as the resignation agreement was not signed with the acquisition party, but with the directors of DTZ to which he belonged.*

**PRESIDENT** (in Cantonese): Mr HO, please do not make any comments.

**MR ALBERT HO** (in Cantonese): *May I ask the Chief Executive if the contract requires him to provide services? Why did he not disclose to the Executive Council? Why would he receive a reward of \$50 million from a foreign company if he has done nothing as alleged? If he regards the money donated by a Hong Kong businessman, Jimmy LAI, to support the Occupy Central movement as foreign forces to interfere in Hong Kong and manipulate the Occupy movement ...*

**PRESIDENT** (in Cantonese): Mr HO, you are making comments now.

**MR ALBERT HO** (in Cantonese): ... *then should he take the blame and resign for secretly providing services for that Australian company or the boss behind the scene and performing secretive acts under their manipulation, in order to restore the dignity of Hong Kong people?*

**PRESIDENT** (in Cantonese): Mr HO, please sit down.

**CHIEF EXECUTIVE** (in Cantonese): President, Mr Albert HO is merely repeating the questions that I had already fully answered in the past. Therefore, I hereby reiterate that this is a normal resignation and non-compete agreement.

~~(Mr LEUNG Kwok-hung yelled)~~

**PRESIDENT** (in Cantonese): I have reminded Members time and again ...

~~(Mr LEUNG Kwok-hung kept yelling and hurled a bun in his hand)~~

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, leave the Chamber immediately.

~~(The Clerk and security personnel stepped forward to assist Mr LEUNG Kwok-hung in leaving the Chamber. Mr LEUNG Kwok-hung kept yelling and tried to hurl another bun, but was stopped by security personnel)~~

**PRESIDENT** (in Cantonese): Leave the Chamber immediately.

~~(Mr LEUNG Kwok-hung kept yelling and left the Chamber with the assistance of security personnel. Meanwhile, holding up placards, Mr Albert CHAN and Mr CHAN Chi-chuen stood up and walked towards an aisle of the Chamber, Mr Albert CHAN then hurled a bun)~~

**PRESIDENT** (in Cantonese): Mr Albert CHAN, leave the Chamber immediately.

(Security personnel stepped forward to assist Mr Albert CHAN in leaving the Chamber. Mr Albert CHAN and Mr CHAN Chi-chuen kept yelling, and Mr CHAN Chi-chuen hurled the placard in his hand)

**PRESIDENT** (in Cantonese): Mr CHAN Chi-chuen, leave the Chamber immediately.

(Mr Albert CHAN and Mr CHAN Chi-chuen kept yelling and left the Chamber with the assistance of security personnel)

**MR CHAN KAM-LAM** (in Cantonese): *President, the theme of Chief Executive's Policy Address this year is "Uphold the Rule of Law, Seize the Opportunities, Make the Right Choices". The Chief Executive stressed that Hong Kong is a society that upholds the rule of law and the rule of law is the foundation of Hong Kong. The democratic development of Hong Kong must therefore be underpinned by the same. As we pursue democracy, we should act in accordance with the law, or Hong Kong will degenerate into anarchy.*

*On upholding the rule of law, the Chief Executive said that the pursuit of democracy must comply with the Basic Law and the Decisions of the Standing Committee of the National People's Congress (NPCSC). I believe this point is beyond doubt. However, after the recent Occupy incident, people inside and outside this Council as well as some authoritative members of the legal profession have repeatedly said that the rule of law does not only denote compliance with the law. At present, some say that as long as one who has breached the law subsequently turns himself in and even admits to have committed an offence that imposes the most lenient punishment, he may be considered as having complied with the spirit of the law. When the Chief Executive talked about economic development and social harmony, he said that the spirit of the rule of law was very important. If the international community considers that the legal environment in Hong Kong is deteriorating and our society may become unstable, they may become worried and are hesitant to come to Hong Kong. How would the Government show to the international community that Hong Kong is a society which truly upholds the rule of law? Will the Chief Executive adopt a tough stand to deal with certain illegal acts?*

~~CHIEF EXECUTIVE~~ (in Cantonese): President, as I mentioned in my opening remarks a while ago, the illegal Occupy incident of last year was not only non-conducive to taking forward universal suffrage, but has also undermined the rule of law and rocked the core values of society. Indeed, the rule of law is one of the core values that we should defend. After the illegal Occupy Central incident, the entire community, not just the SAR Government but also 7.1 million people, should work together to show the international community that the vast majority of Hong Kong people firmly uphold the spirit of the rule of law and we act in accordance with the law.

Hong Kong is an international financial and trade centre, and our economic activities are often based on contracts. A financial deal or a transaction involving millions or billions of dollars is conducted on the basis of a contract. Why do we lay our trust on a contract of a few pages and are willing to transfer a huge amount of money to the another contracting party? The answer is that we believe we can get a fair trial in court if there is any dispute.

Therefore, the rule of law is very important to Hong Kong, not only in respect of society and politics, but also the economy. In the course of the Occupy Central incident, we witnessed that an overwhelming majority of Hong Kong people had upheld the rule of law and had acted in accordance with the law. Quite a number of people, being affected by Occupy Central, sought remedy in court through judicial proceedings, for example, they applied for injunction orders in court. Some people who suffered financial losses filed claims in the Small Claims Tribunal. In my view, in situations where the rule of law is being eroded, this highlights the law-abiding spirit of most Hong Kong people and their positive values of resorting to legal provisions, including legal proceedings.

**MR CHAN KAM-LAM** (in Cantonese): *President, the Chief Executive has not answered whether he would adopt a tough stand to deal with certain offenders. In addition, targeting the increasingly ineffective rule of law in Hong Kong, I would like to ask if the SAR Government would carry out education or publicity programmes on the rule of law and the law, so that the general public would better understand the spirit of the rule of law and uphold Hong Kong's core values.*

~~CHIEF EXECUTIVE~~ (in Cantonese): During the Occupy Central movement, we had been explaining to the community the importance of the rule of law and the fact that everyone was equal before the law. We had repeatedly mentioned that the Police would resolutely enforce the law, and we had independent prosecution policies and decisions, and so on. These are important elements of the rule of law in Hong Kong. The SAR Government will continue to undertake work in respect of law enforcement and law compliance in the future.

**MR ALAN LEONG** (in Cantonese): *President, the Introduction and Conclusion of this Policy Address evidently turned the Policy Address into a political struggle. LEUNG Chun-ying mentioned a book named Hong Kong Nationalism published by Undergrad, the official magazine of the Hong Kong University Students' Union. I have been a Member of this Council for many years but I have rarely seen the authorities using policy addresses for political struggles.*

*This morning, it is reported in a newspaper that, according to government sources, the Introduction and Conclusion of the Policy Address are written by LEUNG Chun-ying. President, I would like to ask LEUNG Chun-ying, originally the book Hong Kong Nationalism was unknown to the public, but after being overplayed and turned into a tool of political and ideological struggle by LEUNG Chun-ying, it sold out. This is in fact a pseudo-proposition as nobody in Hong Kong is striving for Hong Kong independence.*

*I would like to ask LEUNG Chun-ying whether this move of his is intended to highlight his ability to maintain stability in Hong Kong. However, has he ever thought of the dire consequences for providing false military intelligence to deceive his lord and offend his superiors?*

**CHIEF EXECUTIVE** (in Cantonese): President, let me first respond to the last two sentences in Mr Alan LEONG's question. In saying "providing false military intelligence", he probably refers to the social situation in Hong Kong reflected by me to the Central Government. In fact, the SAR Government and I are very willing to arrange all sectors of the community, including all Legislative Council Members, Mr Alan LEONG being one of them, to have direct dialogues with Central Government officials on Hong Kong issues. Regrettably, in the case of last April, we arranged all Legislative Council Members to visit Shanghai

~~to meet with responsible officials from the National People's Congress, the State Council and the Liaison Office of the Central People's Government in the SAR, but Mr Alan LEONG did not support the visit. If Mr Alan LEONG is worried that the SAR Government may provide "false military intelligence", I think the best solution is that he should fight for more opportunities to participate in such face-to-face exchanges, especially when such opportunities are provided by the SAR Government. The Central Authorities have a very clear picture about the situation in Hong Kong. So, the last few sentences in Mr Alan LEONG's question are completely untrue, and he had not fought for opportunities in the past to reflect to the Central Authorities the actual situation in Hong Kong as he perceived.~~

I mentioned in the Introduction the opportunities in Hong Kong and the choices we have to make, and I have also pointed out that we should stay alert in the face of economic and political problems. In which areas must we stay alert? We cannot deviate from our political and constitutional system in dealing with political affairs in Hong Kong. On constitutional reform, we must comply with the Basic Law and the Decisions of the Standing Committee of the National People's Congress (NPCSC) in order to move forward. Last year, for a fairly long period of time, many people said that "civic nomination" was indispensable, and for this reason, today we are still not certain if universal suffrage can be implemented because people have different understanding of the provisions of the Basic Law. The Basic Law stipulates that before implementing universal suffrage, nomination must be made by a broadly representative nominating committee, which has the exclusive right to nominate. Hence, we must point out the importance of the constitutional system, and this is why I have mentioned this point in the Introduction.

Some young students advocate "Hong Kong self-determination", "Hong Kong independence" and even establishing "Hong Kong as a country with its own army". In my view, I think Mr Alan LEONG should indicate whether he supports these arguments instead of asking a question.

**MR ALAN LEONG** (in Cantonese): *President, LEUNG Chun-ying has not answered my question at all. I asked if the Introduction and Conclusion of this Policy Address are written by him, using a pseudo-proposition of Hong Kong independence to consolidate his role in maintaining stability in Hong Kong.*

~~Since LEUNG Chun-ying has put a question to me, I would also like to point out that those students had merely written some articles, yet, he was so frightened that he named and criticized them in the Introduction and Conclusion of the Policy Address. Does Hong Kong no longer have freedom of speech and academic freedom? Is LEUNG Chun-ying's strong reaction against a few articles written by young students an indication of his cowardice? President, I would like to ask LEUNG Chun-ying to answer the question that he has not yet answered.~~

**CHIEF EXECUTIVE** (in Cantonese): President, Mr Alan LEONG evaded answering whether he supported the students' arguments in those articles about the constitutional status of Hong Kong. If he has the time and opportunity, I hope he would make known to Hong Kong people whether he supports these arguments.

The issues of freedom of speech and academic freedom are totally unrelated to the contents of paragraphs 9 and 10 of the Policy Address. Indeed, we enjoy freedom of speech in our society. As I have repeatedly pointed out, freedom of speech is our core value and we defend freedom of speech. However, in an environment where people have freedom of speech, the arguments or ideas expounded by any person can be discussed by others, and this is the essence of freedom of speech. I really think that Mr Alan LEONG does not pay much attention to the production of the Policy Address and my address yesterday. If he had paid attention to the press conferences I held yesterday, he would have known that I had already answered a similar question raised by the press. As in the case of the previous policy addresses, this Policy Address is the collective work of the whole SAR Government team and I. As this is a policy address of the Chief Executive, I am definitely responsible for approving and finalizing its contents.

**MR ALAN LEONG** (in Cantonese): *If LEUNG Chun-ying interprets this book named Hong Kong Nationalism as Hong Kong Independence; I request that my opposition to Hong Kong independence be put on record.*

**PRESIDENT** (in Cantonese): Mr LEUNG, Members can only ask a simple supplementary question, and they should not speak afterwards.



~~MISS ALICE MAK~~ (in Cantonese): ~~President, the Chief Executive has put forward a number of proposals in the Policy Address to solve the housing problems, in particular, in paragraph 67, he mentioned a pilot scheme, under which new public rental housing (PRH) flats will be sold to PRH tenants or PRH applicants who have passed the detailed vetting and are due for flat allocation, that is, Green Form applicants. The Hong Kong Federation of Trade Unions welcomes the Government's adoption of different proposals to solve the housing problems currently faced by Hong Kong people.~~

*However, at present, many people from the sandwich class are not necessarily Green Form applicants. The Chief Executive should have noticed the many-fold over-subscription in the recent application for Home Ownership Scheme (HOS) flats by White Form applicants, particularly by the "homeless clan" whose income has exceeded the income ceiling eligible for PRH applications but cannot afford the mortgage of HOS flats or the rental in the private market. The monthly household income of this sandwich class falls roughly between \$16,000 and \$30,000.*

*May I ask what concrete measures the Chief Executive has put in place to help these people solve their housing problems, and what measures can be taken to help them in respect of the housing ladder?*

**CHIEF EXECUTIVE** (in Cantonese): President, I thank Miss MAK for her question. We hope that more alternatives can be provided in the middle strata of the housing ladder so that people and households can buy their own homes. Households or people at the upper strata of the housing ladder are those who have the financial means to solve their housing problems in the private market, whereas people at the lower strata are living in PRH flats. Among these PRH tenants, those with higher income or better financial means are able to buy their own homes with the provision of certain government incentives, such as discounted prices. We therefore intend to sell those new PRH flats under construction to them in the form of a pilot scheme, which will form one level of the housing ladder.

*As for the level immediately above this, I agree with Miss MAK that apart from the HOS flats provided by the Housing Authority, we announce that we intend to invite non-profit-making organizations, such as the Hong Kong Housing Society (HS), the Urban Renewal Authority (URA) and the Hong Kong Settlers Housing*

~~Corporation Limited, to provide more choices. It can be said that this is a bold attempt. If public response is good, we wish to add more levels to the housing ladder and provide different housing units for members of the public.~~

**MISS ALICE MAK** (in Cantonese): *President, just now I have specifically referred to families with monthly household income between \$16,000 and \$30,000, and highlighted the need for the Government to create an additional level between PRH and HOS to take care of their needs. The Chief Executive just now mentioned that he would seek assistance from the HS, URA and other organizations to provide alternative proposals. May I ask the Chief Executive if the creation of an additional level between PRH and HOS is the policy or direction of the Government to help the sandwich class?*

**CHIEF EXECUTIVE** (in Cantonese): *Regarding the name, such as "sandwich class" as in "Sandwich Class Housing" in the past, we put aside the question of whether the term "sandwich" will be used in the future for the time being. Notwithstanding that, we are definitely thinking along the line of providing more choices in the middle strata of the housing ladder, that is, between private housing developments and PRH flats, so as to cater for those who need not or are not supposed to live in PRH flats but cannot afford private housing.*

**MR KENNETH LEUNG** (in Cantonese): *President, in paragraph 6 of the Introduction of the Policy Address Mr LEUNG Chun-ying says that "we must maintain Hong Kong's competitiveness in both the international and Mainland markets, and forestall any act that harms the investment and business environment." As we all know, corruption, dereliction of duty and tax evasion are all acts that harm the investment and business environment of Hong Kong. The Independent Review Committee for the Prevention and Handling of Potential Conflicts of Interests, established by the former Chief Executive Mr Donald TSANG, had put forward 36 recommendations. The Chief Executive also undertook to enact legislation to implement these recommendations, and one main amendment is to amend the Prevention of Bribery Ordinance to put the Chief Executive under its regulation. May I ask Mr LEUNG whether there is an implementation timetable for this legislative proposal and when it will be implemented at the latest? In addition, has Mr LEUNG Chun-ying paid any*

*taxes in Australia, the United Kingdom, Hong Kong or any other places after receiving \$50 million in the UGL incident? If he has not, is there any tax evasion on his part?*

**CHIEF EXECUTIVE** (in Cantonese): It seems that Mr Kenneth LEUNG still prefers raising questions on issues that had been answered in the past to raising questions on the contents related to the Policy Address. When I delivered the Policy Address to the Legislative Council yesterday, Mr Kenneth LEUNG was not present. If Mr Kenneth LEUNG was really concerned about policy implementation of Hong Kong, as well as the economic, constitutional and livelihood development of Hong Kong, he would probably not have raised these two questions at this juncture today.

Regarding the first question, I can tell Mr Kenneth LEUNG and other Members that the current-term Government is more concerned about this issue than any previous terms of governments. Regarding declaration of interests and monitoring by society and other parties, we have made remarkable progress in our work and we have done more than the previous terms of governments.

**MR KENNETH LEUNG** (in Cantonese): *President, LEUNG Chun-ying has not answered my question. As for my absence yesterday, I can actually show Members my six-page script prepared after listening to the Chief Executive's Policy Address. On tax reporting, Mr Chief Executive, you have never answered this question, nor have you made any clarification in the press. As the highest ranking administration official of the Hong Kong Special Administrative Region, you should set a good example by not committing any act that, as remarked by you, "harms the investment environment of Hong Kong"; and corruption, dereliction of duty and tax evasion are acts that should not be committed. Will you make any clarification regarding this question?*

**CHIEF EXECUTIVE** (in Cantonese): That is a post-employment non-compete agreement, and I have executed that agreement in accordance with the professional advice of my professional adviser.

(Some Members were talking loudly)