

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Motion under the Legislative Council (Powers and Privileges) Ordinance.

PRESIDENT (in Cantonese): Before I invite Members to speak in this motion debate, I wish to point out to Members that under Rule 41(7) of the Rules of Procedure, the conduct of the Chief Executive otherwise than in the performance of his official duties shall not be raised in the speeches of Members in this debate. Since the motion seeks to appoint a select committee to inquire into the allegation of the Chief Executive receiving the benefits of an Australian corporation, it will be difficult for the debate to proceed sensibly and meaningfully if the abovementioned rule is enforced to prevent Members from mentioning the relevant acts. For this reason, during the debate on this motion, I will pay attention to the acts mentioned by Members to see whether they are directly related to the motion topic, so as to strike a proper balance between enforcing the Rules of Procedure and allowing Members to conduct a meaningful debate.

PRESIDENT (in Cantonese): Members who wish to speak on the motion will please press the "Request to speak" button.

I now call upon Ms Claudia MO to speak and move the motion.

MOTION UNDER THE LEGISLATIVE COUNCIL (POWERS AND PRIVILEGES) ORDINANCE

MS CLAUDIA MO (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, LEUNG Chun-ying is devoid of any political integrity. Article 47 of the Basic Law provides expressly that the Chief Executive shall be a person of integrity, dedicated to his or her duties. The Chief Executive shall declare his or her assets to the Chief Justice of the Court of Final Appeal. However, after his assumption of office, LEUNG Chun-ying received a big sum

of money amounting to £4 million, or \$50 million, and he has so far failed to explain clearly why he did not make any declaration, as though it was alright not to do so.

(THE PRESIDENT'S DEPUTY, MR ANDREW LEUNG, took the Chair)

He has disclosed so little, and he really owes Hong Kong people an explanation. Was there any commercial dishonesty, fraud, or even acceptance of bribery? Some may say that the whole thing was all about standard business practices, but I instead think that the case not only reflects the problems with his moral character and integrity but also involves Article 47 of the Basic Law. Given the abundance of information and evidence, or even with none such information and evidence, simply his refusal to answer the many queries may already constitute a justification for impeaching him and asking him to step down.

LEUNG Chun-ying is not only devoid of political integrity but also totally without any political wisdom. Today is Wednesday. In here, we are asking for invoking the Legislative Council (Powers and Privileges) Ordinance to inquire into the allegation of LEUNG Chun-ying receiving advantages. Yet, two days ago on Monday, instead of facing the press, the people of Hong Kong and all Legislative Council Members, he selected a group of friendly Members representing the pro-establishment camp (Their representativeness is doubtful to me) and met with them on the issue. The meeting was a brazen attempt to solicit votes, and it gave people a very poor perception of him. Has he got any political wisdom at all?

LEUNG Chun-ying is simply the biggest negative asset of Hong Kong. He is also the largest barricade to freedom of thinking in Hong Kong. No one knows where he is dragging Hong Kong to. He thinks that patting the shoulders of his "good friends", cronyism, soliciting votes and doing chit-chat behind closed doors will make the whole incident disappear. Ideally, he hopes, the incident can abate like noises fading in the distance, in which case everybody can pretend that nothing has happened and go on partying and having fun. This will not happen, because the incident is no longer just a major political and commercial incident in Hong Kong; some foreign countries are also conducting investigation.

As we can all see, LEUNG Chun-ying has given no explanation. He owes an explanation not only to the Legislative Council but also to all Hong Kong people. A man of virtue is always upright and has nothing to hide, and "God is always watching you from above wherever you go". If he is willing to convene a press conference, all television stations will give him live coverage. He can then explain everything clearly in the press conference. Is there anything really so dreadful about holding such a press conference? However, the disclosure of certain details will obviously lead to very serious repercussions, to the extent that he simply cannot reveal them. Therefore, he thinks that by talking it over once with his "good friends", he can bring the whole incident to an end.

Of course, his act has delivered the political message that he will treat people differently on the basis of affinity or lack of it, and that he will meet with his "good friends" only and ignore all others. In addition to treating people differently on the basis of affinity, he also thinks that once he can succeed in soliciting votes, all will be fine. He thinks that the incident will then disappear like dissipating clouds and smoke because Hong Kong people are very forgetful. So, he thinks that as long as he can secure enough voting support, no one can do anything about him. This is the political message he has delivered. But ironically, the Chinese press has reported that one of the "good friends" summoned by him, the Vice Party Chair of the Liberal Party, Mr CHUNG Kwok-pan, remarked that it would be better for LEUNG Chun-ying himself to explain everything to Hong Kong people. But CHUNG at the same time estimated that for fear of a surge of strong public sentiments following his appearance, LEUNG Chung-ying would probably not to do so. Mr IP Kwok-him also said similar things. His exact words were not quoted, but he was reported to have said that it would be better for LEUNG Chun-ying to give a comprehensive explanation on one single occasion. This is how the Legislative Council is like. In this Chamber, all pro-communist elements and all those who gain benefits in the Mainland must serve as the puppets of Beijing, and they will condone and harbour such a Chief Executive without any fear and shame.

It is quite clear that his "good friends" have not made any special efforts to explain his case after the meeting with him. But aren't they supposed to be his spokespersons? It is obviously not enough to rely solely on Carrie LAM, because he must solicit votes. Even so, he has still disclosed so little, so little that even his "good friends" must ask him to offer an explanation himself. As for the exact contents of their discussions, we can only learn from media reports. We do not know the whole story, and we only know very little.

LEUNG Chun-ying claims that one half of the £4 million (or as much as \$50 million) was meant as resignation payment, and this was a standard business practice. The other half was for requiring him to guarantee his non-compete and non-poach positions after his resignation. But was the whole story really so simple? If it was really so simple, he can always come out and explain it clearly, but he must of course produce documentary proof, as mere words cannot be taken as evidence. It is claimed that one half of the £4 million was meant as resignation payment, and the other half was for requiring him not to engage any competition and poaching acts in the future. But the press will definitely ask: did these payments of money really have nothing to do with the provision of service? Did these payments really have nothing whatsoever to do with his promise of supporting, consenting to and not opposing the Australian corporation's acquisition of DTZ?

If the agreement was really so simple, how can he explain the extensive coverage given to it by the *Sydney Morning Herald*, a paper under the Fairfax Media Limited — the largest Australian media corporation and an icon of journalism? Those people are all journalists, so they are not supposed to take any frivolous actions, right? If it was really a minor issue, why should LEUNG Chun-ying be so startled, so startled that he even warned the media organization not to report on the agreement, or else he would bring the matter to court? He did issue a lawyer's letter on this matter. He has never denied this, right? Since he has never denied this, there must be something mysterious and secretive about the agreement, and this explains why he does not have the courage to say anything in public, right? Admittedly, we must note that the Australian authorities are still conducting their investigation at this moment. But well, who knows, he may be accused of accepting bribery later on, in which case the relevant authorities may seek to extradite him to Australia to stand trial. This will certainly make an international laughing stock of Hong Kong.

There is one more thing which is even more ironic. Yesterday, a local English newspaper, the *South China Morning Post*, carried a news story on what LEUNG Chun-ying had said in the closed-door meeting with his "good friends". One of those who reportedly recounted LEUNG's words was Mr Christopher CHEUNG. It was reported that Mr Christopher CHEUNG quoted the following words of LEUNG Chun-ying: "The information might not be easily understood even if it was released to the public". These words mean that the information may be too abstruse for the public to understand even if it is made public. What is he saying anyway? There is no problem with Mr Christopher CHEUNG. I

believe his quotation is true. The problem is connected with LEUNG Chun-ying. These words actually mean: "You will not understand even if I tell you".

What does he take Hong Kong people for? Does the information concerned involve nuclear physics or space science? Why can't we understand? Speaking of complexity, can such information be more complex than the definitions of mobile television, applications and related matters as explained by Ricky WONG in a press conference about six months ago? In fact, Ricky WONG's explanation that day really baffled many journalists, because most of it was related to information technology. The Chief Executive's saying that the public would not understand even if the information is disclosed or made public simply amounts to a slap on people's faces. The Government's attitude is similar in nature to what Mrs Regina IP said as the Secretary for Security back in 2003, when she attempted to force through the legislative proposal on implementing Article 23 of the Basic Law: restaurant waiters, workers at McDonald's and taxi drivers would not understand the content of the Bill. The essence is to absolve responsibility by downgrading the public to a low level and saying that they will not be able to understand anything.

Deputy President, basically, this is nothing but "doublespeak". Last week, I followed up Mr Albert HO's oral question, which was also about the acceptance of benefits from UGL Limited (UGL). In reply to my supplementary question, Chief Secretary for Administration Carrie LAM said before everything that the agreement was not a secret deal as such. She said that in the sale of DTZ, the agreement between LEUNG Chun-ying and UGL was not a secret deal, only that it was not disclosed, and it was open to question as to whether the expression "not disclosed" was really the same as "secret". However, she subsequently said that DTZ and the Royal Bank of Scotland (RBS) were aware of the agreement, and the £4 million deal was transacted in the United Kingdom. At that time, she quoted an announcement made by UGL in English, "The vendor, the Royal Bank of Scotland, and their advisors were fully aware of UGL's intention to enter into an arrangement with Mr LEUNG". The important word here is "intention", mere intention. This is just like my being informed that a certain someone intends to get married. I know of his or her intention, but this does not mean that I know whom this person will marry, how his or her prospective spouse looks like and the background of the prospective spouse. I will not know all these details.

Then, she went on to say, "DTZ Holdings plc played a significant role in initiating and negotiating those terms with Mr LEUNG". This only means that the relevant sides in the United Kingdom did "initiate" (or make the proposal) and "negotiate" (hold talks). But this merely means that they also took part. What she said was just "initiating and negotiating", but she did not mention "concluding". The final details of the agreement show that the £4 million paid to LEUNG Chun-ying was deducted from the purchase price, meaning that he profited at other shareholders' expense. They have not mentioned anything about this. Did other people know of this? This is still largely unclear.

The second doublespeak tactic employed by Chief Secretary for Administration Carrie LAM was her argument that though the declaration of "財產" (translated as "assets" in the English version of the Basic Law) was required under the Basic Law, it was questionable as to whether "資產" (or money assets) was the same as "財產" ("assets"), and she also said that this was not clearly defined in the Basic Law. Please do not play with words in this way. Our rule of law is all about ordinary people and their common sense, and it does not require any interpretation based on astronomical precision. According to the Oxford Advanced Learner's English-Chinese Dictionary, the Chinese term "asset" may be rendered as either "財產" (assets) or "資產" (money assets) in Chinese. Was she actually saying that there was indeed a huge difference between "財產" (assets) and "資產" (money assets), and it could thus be proved that \$50 million should be treated as "資產" ("money assets"), rather than "財產" (assets)? And, did she thus mean to say that since the Basic Law only required the declaration of "財產" (assets), he did not need to make any declaration of the sum of money? Please do not deceive Hong Kong people like this. Don't treat us like children and think that we will believe whatever they say.

The agreement is still valid, but the Chief Secretary for Administration insists that the Chief Executive has never provided any service. I must say that whether he ever provided any service in the past is not the point. Our first and foremost concern is that we cannot know whether he will provide any service in future. But in any case, whether he ever provided any service is simply not the point. The important point is that there exists this agreement, and as the incumbent Chief Executive of Hong Kong, he has been engaged in business dealings and has even received money for that. In the eyes of the public, this is really very deplorable. We have already talked about side jobs, part-time jobs and the like.

More ridiculously, Chief Secretary for Administration Carrie LAM said last week that she would not know too much about the Chief Executive's personal assets. In that case, why did she answer on behalf of the Government? What we discuss now is an income earned by the Chief Executive. Under the Basic Law, the Chief Executive is required to declare the income but he has refused to do so. And, the Chief Secretary for Administration has tried to put up a defence on his behalf, dwelling on "財產" (assets) and "資產" (money assets), and making her personal interpretation of the Basic Law. This is indeed very ridiculous.

Deputy President, it is very unlikely that this motion, which proposes to invoke the Legislative Council (Powers and Privileges) Ordinance to investigate whether LEUNG Chung-ying accepted any bribery, can be passed. However, we should show our accountability to history "for the record". I must make an appeal to the Liberal Party in particular, because people describe it a clear stream within the pro-establishment camp. I hope the Liberal Party will think twice and support this motion.

Thank you.

Ms Claudia MO moved the following motion:

"That this Council appoints a select committee to inquire into the allegation of the Chief Executive of the Hong Kong Special Administrative Region Mr LEUNG Chun-ying receiving the benefits of UGL Limited, an Australian corporation; and that in the performance of its duties the committee be authorized under section 9(2) of the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) to exercise the powers conferred by section 9(1) of that Ordinance. "

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Claudia MO be passed.

(Mr CHAN Chi-chuen stood up)

MR CHAN CHI-CHUEN (in Cantonese): Deputy President, I request a headcount under Rule 17(2) of the Rules of Procedure.

DEPUTY PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

DEPUTY PRESIDENT (in Cantonese): Chief Secretary for Administration, please speak.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Deputy President, Ms Claudia MO moved a motion today under the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to appoint a select committee to inquire into matters related to the "resignation agreement" reached between Mr LEUNG Chun-ying and the UGL Limited (UGL). It is regrettable that in the speech she delivered just now, Ms MO attacked the Chief Executive willfully and levelled groundless accusations against him. Deputy President, on behalf of the SAR Government, I wish to express my opposition to this motion.

With regard to media inquiries on the relevant issue, the Chief Executive's Office has openly responded to a large number of questions. Meanwhile, the issue has likewise been sufficiently discussed for a number of times in the Legislative Council. First, on 17 October this year, the motion jointly moved by Ms Claudia MO and Mr Dennis KWOK was negated in the meeting of the Legislative Council House Committee after ample discussions. In the Council Meeting held on 29 October, I also replied in detail to the oral questions raised by Members on the issue. Subsequently, with regard to the "resignation agreement" reached between Mr LEUNG Chun-ying and UGL, Ms Cyd HO and Mr Kenneth LEUNG have again moved a motion to invoke the P&P Ordinance for appointing a select committee to inquire into whether the Chief Executive has contravened Article 47 of the Basic Law and issues relating to possible conflict of interests. This proposal was similarly negated at the meeting of the House Committee held on 31 October.

Deputy President, as I have cited the information provided by the Chief Executive's Office in response to Members' questions raised on 29 October, the "resignation agreement" is only a non-compete agreement reached between Mr LEUNG and UGL to ensure that Mr LEUNG is not going to take up appointment with a competitor, nor to set up a firm to compete with UGL, nor to poach employees from DTZ Limited (DTZ), and thereby protecting the commercial value of DTZ after acquisition. This agreement is kept as a confidential commercial arrangement in line with common commercial practices. The relevant agreement and payment stem from Mr LEUNG's resignation from DTZ and not from any future service to be provided by him. After signing the "resignation agreement", Mr LEUNG has not provided any service to UGL and this fact has been openly verified by UGL in a statement.

In terms of declaration, the Chief Executive has fulfilled the requirement of Article 47 of the Basic Law in declaring his assets to the Chief Justice of the Court of Final Appeal of the Hong Kong Special Administrative Region and the declaration has been put on record. The current system of declaration of interests by Members of the Executive Council does not require a declaration of the abovementioned "resignation agreements". Furthermore, both Mr LEUNG's resignation from DTZ and the "resignation agreement" between UGL and him were made before he was elected Chief Executive, at a time when he has stepped down as Executive Council Member.

The above were the material statements made by the Chief Executive on the relevant matters and they have been clearly presented by me in reply to Members' queries raised at the Council Meeting held on 29 October. Hence, I do not see any reason for us to dwell on the issue at this Council. The Government considers that the Council does not have to, nor should it appoint a select committee for inquiry and hence is decidedly opposed to the motion moved by Ms Claudia MO.

Deputy President, I will respond further after hearing the speeches of Members. Thank you, Deputy President.

MR WONG TING-KWONG (in Cantonese): Deputy President, last month, Fairfax Media of Australia reported that when LEUNG Chun-ying was running for the post of the Chief Executive, he entered into a "secret agreement" with the listed Australian company UGL (UGL), in which he would be paid £4 million in

the sale of DTZ Holdings. The relevant payment was made by two instalments in 2012 and 2013, after LEUNG had become the Chief Executive. However, he did not report the payment to the SAR Government.

The Chief Executive LEUNG Chun-ying promptly responded to the report in a television interview in which he gave reasons for accepting the payment and emphasized that no conflict of interest was involved in the case. However, Members from the pan-democratic camp are reluctant to let go of him, as they suspect him of taking bribes, evading tax, failing to make declaration, and betraying the shareholders. They wish to invoke the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to inquire into the case in question. I oppose such a proposal as the queries raised by Members from the pan-democracy camp against LEUNG Chun-ying are invalid. I am going to explain each of these queries with my knowledge in business.

It is learnt that this agreement arose from LEUNG Chun-ying's announcement on 24 November 2011 of his resignation from DTZ which came into effect on 4 December in the same year. At that time, UGL was making a bid for DTZ and it signed the resignation agreement with LEUNG Chun-ying on 2 December. That was a non-competition agreement which ensured that LEUNG Chun-ying would not accept any appointment from competitors after leaving DTZ, that he was not going to set up a new firm to compete with UGL nor to poach employees from DTZ, and thereby protecting the commercial value of DTZ against any possible harm after the acquisition. Hence, subject to the retention of principal staff in DTZ within two years of LEUNG's departure, UGL made payment to him in two yearly instalments, on top of committing to paying him the £1.5 million bonus which had previously been agreed upon. Recently, LEUNG Chun-ying has further disclosed to Members from the pro-establishment camp the detailed calculation of the payment which consisted of a two million pound departure gratuity and another two million pound compensation for a "non-compete, non-poach" requirement. I therefore see this as a gentlemen's agreement under the acquisition, a "golden handshake" agreement, a confidential commercial arrangement and a practice which is common in merger and acquisition, signed with the objective of protecting the value of the acquired assets. Furthermore, the relevant payment stemmed from LEUNG's resignation from DTZ and was not a delayed reward for any future service to be provided by him. Though he was required under the agreement to provide advisory services and assistance in business promotion, LEUNG had handwritten on the contract that support would only be made on the condition that it would not create any

conflict of interest. After taking office as the Chief Executive, he has neither provided nor been asked to provide any service to UGL. I therefore do not think LEUNG Chun-ying is suspected of any conflict of interest.

Furthermore, LEUNG Chun-ying is allegedly suspected of committing a bribery offence under the Prevention of Bribery Ordinance. Fairfax Media has earlier quoted a response from the chairman of DTZ as saying that he was unaware of the deal between LEUNG and UGL. Likewise, the spokesman for DTZ's main creditor, the Royal Bank of Scotland, has also indicated that the Bank was not involved in the negotiation of the agreement. LEUNG Chun-ying was thus accused of covering up the deal concerned. But strange enough, Fairfax Media suddenly revealed in a report on 15 October that, upon examining more emails exchanged during the sale of DTZ, the agreement in question was found out to have been negotiated with the understanding of all major stakeholders. The main creditor the Royal Bank of Scotland, the administer Ernst & Young and the DTZ chairman all participated in the negotiation, and more importantly, the DTZ chairman was then the leading and co-ordinating negotiator. UGL has earlier issued a statement saying that it is groundless and misleading to describe the agreement as a "secret" one, as the DTZ management and its main creditor the Royal Bank of Scotland were all aware of the arrangement. Moreover, as said a moment ago, the payment made by UGL to LEUNG is a non-competition compensation, a practice commonly adopted in the business sector. Hence, the allegation against LEUNG Chun-ying for receiving a secret payment or an illegal commission is unfounded.

With regard to the accusation that LEUNG Chun-ying's non-payment of tax on the £4 million is an act of tax evasion, LEUNG Chun-ying and his office have already responded that according to the written professional advice of an accountant, salaries tax is only applicable to income arising in or derived from an office, employment or any pension in Hong Kong. Incomes such as these are all subject to the salaries tax. But the £4 million was paid to compensate LEUNG for not competing with UGL nor poaching DTZ's staff. According to the taxation legislation in Hong Kong, such earnings are not chargeable to salaries tax nor personal assessment. The relevant tax for the bonus, in contrast, has been paid. I have also listened to the views of my accountant friends who agree that the agreement is a normal and common non-compete restrictive covenant which does not constitute to an employment of LEUNG, nor his contribution in service provision or business operation. Such payment should be seen as capital income, a one-off compensation made with the rationale that LEUNG would

suffer from a perpetual loss of a capital asset. Additionally, UGL has never asked LEUNG Chun-ying to provide service for them and LEUNG has never provided any owing to the conflict of interest restriction. Therefore, the payment UGL made to LEUNG was actually free of any compensation for service. I thus maintain that no salaries tax nor profits tax should be paid by him.

Another query raised against LEUNG Chun-ying is about his failure to report the payment, allegedly in breach of the code on disclosure for principal officials under the political appointment system. The Chief Secretary for Administration Mrs Carrie LAM has told us a moment ago as well as last week that the current system of declaration of interests by Members of the Executive Council does not require Members to declare a resignation agreement. And both LEUNG's resignation from DTZ and the resignation agreement between UGL and him were made before he was elected the Chief Executive and after he had stepped down as Executive Council Member. As resignation agreement falls outside the scope of mandatory declaration of interests, the relevant accusation is invalid. With regard to LEUNG's transference of all his shares in DTZ Holdings Plc and its subsidiaries to a trust whose trustee is a practicing certified public accountant, he has made a declaration according to the declaration system of the Executive Council. On assumption of office, LEUNG Chun-ying has also declared his assets to the Chief Justice of the Court of Final Appeal in accordance with the stipulation of the Hong Kong Basic Law.

Separately, a Tianjin enterprise was also in the race at that time for the acquisition of DTZ. It offered a price about £100 million higher than that offered by UGL but was rejected by the DTZ's board of directors, leading to a suspected betrayal of DTZ's shareholders. However, according to the archived reports retrieved from the Telegraph website, DTZ rejected the bid from the Tianjin enterprise out of the consideration that any overseas investment project of more than US\$100 million proposed by an enterprise was subject to the approval of the National Development and Reform Commission, the State Council, the Ministry of Commerce and the State Administration of Foreign Exchange. The approval was usually lengthy in duration, involving a lot of uncertainties and instability, and hence making the offer extremely risky. Recently, LEUNG Chun-ying has also explained to Members from the pro-establishment camp that the board rejected the acquisition proposal from the Tianjin firm as the latter had demanded DTZ to relocate its headquarters from the United Kingdom to Tianjin. And on the day DTZ turned down the acquisition offer, LEUNG Chun-ying had

already resigned from the board and did not take part in making the decision. Hence, the accusation of his betraying the shareholders is also unfounded.

Deputy President, the accusations made by Members from the pan-democratic camp are readily explicable by the Chief Executive. As the case has earlier been reported to the Independent Commission Against Corruption, it should be followed up and investigated by the Commission. Members from the pan-democratic camp routinely invoke the P&P Ordinance for conducting investigations — they have raised such a demand for many times since the commencement of the current legislative year — but the move in fact wastes this Council's resources and is completely unnecessary. The case of LEUNG Chun-ying's acceptance of benefits from UGL is actually a normal commercial activity. But then people try to make up false allegations with unconvincing evidences, make a fuss of the case and blow it up out of all proportion, for the sake of putting up a political performance. Besides, the motion for invoking the P&P Ordinance comes at the time when the Occupy Central protesters are demanding LEUNG's stepping down and the intention behind is therefore obvious to us all. The motion is put forward in co-ordination with Occupy Central, taking advantage of the situation for mudslinging and dealing a further blow to the credibility of LEUNG Chun-ying's governance.

Deputy President, Mr LEUNG Chun-ying and I have known each other for many years. To me, Mr LEUNG is enthusiastic, conscientious and diligent, indeed a man of action. After he has taken the helm as Chief Executive, I can see that he bravely undertakes responsibilities. He faces up to difficulties courageously, is committed to improving the current social conditions and proactively resolves the deep-rooted conflicts in society. In addition to being pragmatic, he shares the urgent concerns of the public and rolls out welfare policies once they are ready — his efforts are undeletable. However, since he has taken office, the integrity of the governing team has all along been the target of criticism by the opposition. The credibility of governance is thus undermined and the Government has dire difficulties in policy implementation.

Deputy Chairman, I think we should focus on whether Mr LEUNG Chun-ying, as a social leader, is capable of and committed to resolving social problems, leading Hong Kong out of predicament and seeking long-term development for the territory. We should not blow up or play up all his words and deeds as well as his unintended mistakes, nor to hold back his progress with the intention of instigating social conflicts and public resentment, undermining

his governance, and toppling him eventually. The latter is an act of destruction which hinders social development. It is impossible to fully tailor social policies to everybody's interests or demands and undeniably, there are bound to be shortcomings in governance. However, as Members of the Legislative Council who monitor the Government, shouldn't we adopt a constructive and broad perspective when advancing advice to the Government for further improvement? Some Members from the opposition take up unco-operative, radical or indiscriminately destructive approach when striving to realize their demands. These people are in fact inviting troubles and chaos, causing irrevocable damage to Hong Kong.

With these remarks, Deputy President, I oppose the motion.

MR RONNY TONG (in Cantonese): Deputy President, what an eye-opener! The Secretary and Mr WONG just now gave their speeches in a manner which is truly eye-opening. In nowhere else but this Council can we find people who call a stag a horse and blame others so cheekily.

Deputy President, as a Member of this Council, one of our key responsibilities is to keep a watch on the Government and the Chief Executive and identify any area of inadequacy. However, the Secretary and Mr WONG seem to say that LEUNG Chun-ying's receipt of some \$50 million in private was a result of our faults and mistakes. He received such a big amount of money for our sake. Likewise, his lack of integrity and the public doubts on his integrity are also a result of our faults and mistakes. It is even more wrong for us to raise these topics and spend time on discussing them in this Council. Deputy President, how could they make such a comment?

Mr WONG also commented that the incident is simple and it was merely a "golden handshake". Honestly, he as a businessman should not make such a comment. Try to imagine, for instance, a prospective buyer proposes to acquire your company, but it offers another director of the company and your subordinate \$50 million as the reward for lobbying Mr WONG Ting-kwong and his decision to dispose the company to this buyer. If you are entirely uninformed about this, how would you respond? Would you rationalize this as something unimportant, a mere "golden handshake" which is a common business practice, and you allow them to do so as you do not mind pocketing a bit less? Mr WONG, would you allow this to happen?

Deputy President, I dare not say even a 10 year-old kid or a person of little education is able to understand what this issue is about. But a "golden handshake" should be a sum of money paid by an employer to its employee as a gratitude reward for the latter's long service with the company, and absolutely not the sum of money that a subordinate to receive from a business competitor behind the employer's back. I have never heard anyone call this a "golden handshake". I find this eye-opening because this is totally unheard of so far in my life, despite my experience as a lawyer for decades.

Members can think about this: If a buyer pays out \$50 million subsequent to its acquisition of the company, such payment can constitute a problem as it may arouse accusation of providing deferred reward. In that case, for any payment made before the acquisition, would it be even more suspicious? I would like to draw Members' attention to section 9 of the Prevention of Bribery Ordinance, which states that any agent, including directors, subordinates and persons with special positions, such as LEUNG Chun-ying, who accepts any advantage for doing or forbearing to do any act in relation to his principal's affairs or business or showing favour or disfavour to other persons, shall be guilty of taking a bribe. Given that this is stipulated in the laws of Hong Kong, if a person wants to prevent the charge of taking a bribe, what should he do? He should obtain approval or permission from the principal before his acceptance of advantage, or if impossible to do so, expeditiously apply for permission from or report to the principal subsequently in order to obtain the necessary approval. In that case, the acceptance of advantage does not contravene the laws. This is provided in the laws of Hong Kong.

Mr WONG may immediately refute that if LEUNG Chun-ying has contravened the law, the ICAC is in all reason to investigate into the matter. His point is right. If Mr LEUNG has committed an offence, the ICAC should conduct an investigation on him; if he has not committed any offence, the ICAC will never investigate him. Deputy President, but the problem is, technically speaking, the Prevention of Bribery Ordinance is not applicable to his case. Why is it inapplicable? I believe Members may still recall that at the time when the amendments to the Ordinance were debated in the Council, the proposal of the pan-democratic camp to amend section 9 was rejected by the Government and the pro-establishment camp. Eventually only section 3 and 4 were amended.

Hence in technical terms, first, section 9 is not applicable to the Chief Executive. Second, given that the deal was made in an overseas country, the laws of Hong Kong cannot be applied to such deal and possibly cannot be applied

to the Chief Executive as well. Deputy President, but this does not mean that we cannot conduct an investigation. I marginally agree to the argument that we should not investigate into his criminal behaviours, as we should pass the case to the Police for their investigation. As I clearly pointed out in my speech last week, the Legislative Council is not duty-bound to conduct investigation on criminal behaviours, which should be the duty of the enforcement authorities. In that sense, if the ICAC is already probing into the matter, the Legislative Council should not conduct an investigation.

However, in the event that he has not committed any offence and no investigation is conducted by the enforcement authorities, if one says that the Legislative Council should not conduct an investigation in this case, then what role should the Legislative Council perform? Members may make reference to Article 47 of the Basic Law, which stipulates clearly that the Chief Executive must be a person of integrity. It puts the emphasis on his "integrity" rather than his "law abiding" quality. Why is there no mention of the "law abiding" quality? The reason is that a more stringent set of standards are adopted to measure the conduct of the Chief Executive. The Chief Executive must be a law abiding person, yet that does not mean he has discharged his responsibilities as a Chief Executive, otherwise what is the point of emphasizing "integrity"?

Some question whether the Member who had received money from others should apologize openly and surrender all the money received. Even Members have to face these queries. As one of the 70 Members of this Council, how big is his power and influence? He can at most cast an opposing vote, but would his vote affect the policies and legislating procedures of the Government? The tricks most frequently played include staging a filibuster, asking the President to ring the bell to summon Members or counting quorum, that is all they can do. But for the Chief Executive, it is another story. Deputy President, under the executive-led approach, all powers exercisable in Hong Kong under the Basic Law, including the power to enact laws and launch policies, are all in the hands of the Chief Executive, hinging upon the decision and consideration of this single man. Nonetheless, what is demanded of this single man is even more lenient than that demanded of a Member. While we insist that it is necessary to investigate on a Member's receipt of some \$1 million, we regard the Chief Executive's receipt of some \$50 million a common business practice without much importance, and an investigation is unnecessary. Deputy President, if this is not an application of double standards, what on earth is this?

Deputy President, let us return to the facts, okay? The fact is LEUNG Chun-ying himself has admitted that to ensure a successful acquisition is one of the conditions stated in this contract valued over \$50 million. To that end, what must he do? We have no idea. What has he done? We have no idea either. The fact is the acquisition was successful, and another prospective buyer lost the deal. What made DTZ take the Australian company's offer and reject the one given by the state-owned enterprise? No one knows. This is truly the best example of collusion with foreign forces.

After all, this is not important. Some consider this a commercial practice, but how much money was paid for this purpose? Did these behaviours have any connection with the affairs of the principal? In other words, if the deal was made in Hong Kong, LEUNG Chun-ying might be under criminal investigation. No investigation had been conducted on him simply because the deal was made in an overseas country. Are these what we call the criteria? If these are our criteria, things are simple. Whoever has done anything illegal, irrespective of its nature, can go abroad, say, to the United Kingdom or United States, and set up a company there for receiving money. If being questioned subsequently, one can call it a commercial practice, a kind of company affairs, and he is only a company director and the behaviour in question was not conducted in Hong Kong. In that case, why bother to conduct an investigation? I believe members of the public watching this meeting through the television right now must be pissed off when hearing the above excuses.

Deputy President, there was an even more ridiculous event which we find unacceptable. Now we query whether LEUNG Chun-ying should give the public a justification for his doing, yet because of the mass sitting outside the Legislative Council, he refused to come here and give a justification. Fine, but the problem is, some pro-establishment Members asked him to give a justification, not in this Council, but at his home over a meal gathering while they were drinking tea and eating buns. Then today we saw Mr WONG stand up to give a speech with a script in his hand. Is this what a Member should do in order to monitor the Chief Executive? They attended a meal gathering at his place, and what did they talk over the meal? I do not know, not to mention the general public of Hong Kong who would never find a clue ...

(Mr WONG Ting-kwong said that he had not attended those meal gatherings while sitting on his seat)

MR RONNY TONG (in Cantonese): Sorry, I do not know whether you had literally taken the meal. Perhaps you did not take the meal, just had a cup of ...

DEPUTY PRESIDENT (in Cantonese): Mr WONG Ting-kwong, this is not your speaking time.

MR RONNY TONG (in Cantonese): ... only drank a cup of tea and ate a bun ... *(Members reminded that it should be a glass of water)* should be a glass of water and a bun ...

(Mr WONG Ting-kwong continued to speak while sitting on his seat)

DEPUTY PRESIDENT (in Cantonese): Mr WONG Ting-kwong, please stop speaking.

MR RONNY TONG (in Cantonese): Thank you, Deputy President. Excuse me, where was I? Drinking a cup of tea and eating a bun, right?

Deputy President, if a Member had a query, why did he not raise it out in the Council, so that the Chief Executive could explain it openly to all the people of Hong Kong? He, on the contrary, after having secret talk with the Chief Executive, indicated in front of the television camera that he thoroughly understood the circumstance as the Chief Executive had explained everything clearly. On the following day, he even stood up to give a speech with a script in his hand, claiming that there was no problem. Has he fully discharged his responsibility as a Member? He seems to have discharged the responsibility of Mr LEUNG Chun-ying's entourage, not quite that of a Member.

This is not merely a pecuniary issue. As I elaborated earlier, behaviours like these are defined as bribery under the laws of Hong Kong. In other common law jurisdictions, these behaviours, if not classified as bribery, are suspected of breaching integrity. Why does this constitute a breach of integrity? A director or employee is entrusted by other people or the employer. Even the Chief Executive, in his position, is entrusted with the well-being of the entire society of Hong Kong. Hence, not only should he assume the legal responsibility, he should also fulfil the moral and integrity requirements.

Moreover, the standard of conduct imposed on persons like him under the law is particularly high.

More than once, I had cited certain cases openly, one of which was the case of *Phipps vs Boardman*. The trustee in that case was a smart lawyer — Deputy President, lawyers are smart in most cases — who made a lucrative profit through an opportunity he came across while acting as the trustee. According to the court judgment back then, the trustee should not have the opportunity to earn that profit as he was not allowed to do so. That said, the Judge still ruled that the trustee had contravened the law, and ordered him to return all the money he earned to the beneficiaries. The Court ruled that, according to the law, the trustee's behaviours were in breach of integrity. All the profit he had made or received was advantages obtained in his capacity as the trustee, hence he should return them all to his employer, and that is, the beneficiaries. In other words, LEUNG Chun-ying should return the \$50 million received to the employer, meaning that he should return that sum of money to DTZ for returning it to the shareholders of DTZ before the acquisition.

In Mr WONG's opinion, the shareholders did not suffer any loss. I really do not have a clue about this opinion. This sum of money, if it had not been given to LEUNG Chun-ying, a large part of it would have been injected into the consideration in a bid to win the deal. In other words, if LEUNG Chun-ying had not pocketed this sum of money, all or a large part of it should have gone into the hands of the shareholders. The law provides that any receipt of advantage by a trustee must obtain prior approval from the principal — what does it mean? A company is regarded an intangible object which can only be represented by persons. In that sense, does it mean a trustee must obtain prior approval from all the shareholders? This is one of the interpretations, yet it is not substantiated in legal terms. For if there is collusion among the shareholders, who together agree on giving LEUNG Chun-ying this sum of money, eventually some people would be deceived. This can be easily achieved simply through collusion between several shareholders.

Thus the law also provides that, under circumstances like these, in addition to obtaining approval from directors, a general meeting should be summoned in order to obtain approval from all shareholders. In the present case, do we have any approval like this? In fact we have raised questions a number of times. We have been asking questions, we asked questions immediately after the unveiling of this incident. But up till today and this moment, this kind of approval is still absent. What else can the Legislative Council do? Should we

tolerate quietly? Given that the Chief Executive provided explanation to several pro-establishment Members while having tea and buns with them, this incident can be nullified and should no longer be discussed in the Legislative Council. The discussion we now have is only an attempt to overturn LEUNG Chun-ying. But if he has not done anything against his conscience, how can we overturn him?

Deputy President, I do hope the rest of the debate can be of higher quality.

MR GARY FAN (in Cantonese): Deputy President, before I speak, I request a headcount.

DEPUTY PRESIDENT (in Cantonese): Mr Gary FAN, which clause of the Rules of Procedure are you invoking?

MR GARY FAN (in Cantonese): What?

DEPUTY PRESIDENT (in Cantonese): Please say which clause of the Rules of Procedure you are invoking.

MR GARY FAN (in Cantonese): Clause 17(2).

DEPUTY PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(While the summoning bell was ringing, some Members spoke in their seats)

DEPUTY PRESIDENT (in Cantonese): If any Member wishes to raise a point of order, he must stand up and say which clause of the Rules of Procedure he is invoking. The President shall then make a ruling.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

DEPUTY PRESIDENT (in Cantonese): Mr Gary FAN, please speak.

MR GARY FAN (in Cantonese): Deputy President, I rise to speak in support of the motion moved by Ms Claudia MO under the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to investigate the scandal relating to the alleged acceptance of secret payments from an Australian enterprise, UGL Limited (UGL), by Chief Executive LEUNG Chun-ying.

Since 8 October, when an Australian media organization disclosed LEUNG Chun-ying's failure to declare the staggered secret payments of nearly \$50 million which he received respectively in 2012 and 2013 from UGL, LEUNG Chun-ying, as the Chief Executive, has been hiding in his "tortoise shell". Apart from turning down requests for an open explanation, he even refused to attend the Chief Executive's Question and Answer Session on 16 October. Subsequently, he only asked Chief Secretary for Administration Carrie LAM, who is present today, to attend a Legislative Council meeting to answer questions on this scandal, thus making Hong Kong people think that he tried to evade Members' questions because he had a guilty conscience and knew only too well that he could not offer any satisfactory explanation.

Earlier today, before the Legislative Council formally scrutinized this motion moved under the P&P Ordinance, LEUNG Chun-ying even made an appointment to meet with a selected group of "royalist" and pro-establishment Members behind closed doors, in an attempt to explain away the scandal relating to his acceptance of benefits. His action has not only ignored and downgraded the status of the Legislative Council, but has also trampled on the right of the public to know and weakened the power of the Legislative Council to monitor the Chief Executive.

Deputy President, according to press reports, LEUNG Chun-ying explained to the "royalists" at the meeting that half of the \$50 million payment was his resignation payment, and the other half was for preventing him from headhunting the top management of DTZ after his resignation. He even avowed that he had never provided any service to UGL. What is so unbelievable is that his explanation was totally accepted by all the "royalist" Members, such as Mr WONG Ting-kwong. Despite the clear provision that he must serve as a referee and adviser to both UGL and DTZ, they still did not even query the Chief

Executive's claim of having provided no service to UGL and his reluctance to terminate the agreement after his assumption of office. He pocketed all this money but did not have to provide any service. Would any company, any employer accept any such arrangement? It does not stand to reason that UGL, as the one making the payment, should have agreed to pay LEUNG Chun-ying for nothing in return.

Deputy President, Mr James TIEN told the media earlier that the job of a Chief Executive was a difficult one because it was necessary to serve too many bosses. But let us not forget that the annual salary of the Chief Executive is more than \$4 million, plus an extra non-accountable entertainment allowance of \$800,000 every year. If we look at the international community, we will see that such a salary is 40% higher than that of the United States President. The sum of nearly \$50 million given by UGL to LEUNG Chun-ying is 10 times his annual income as the Chief Executive, and he is not even required to render any service after receiving the money. How can there be such a windfall? How can this possibly be true at all? Deputy President, anyone who believes LEUNG Chun-ying's words must be mentally retarded.

Deputy President, the "royalists" describe the secret agreement between LEUNG Chun-ying and UGL as "a golden handshake" (that is, the compensation given by the employer to a resigning top management staff member). But when this secret agreement was concluded, UGL was only a prospective buyer, not the owner, of DTZ. In other words, suppose UGL failed to acquire DTZ at the end of the day, or DTZ was purchased by another company, the so-called "golden handshake" between LEUNG Chun-ying and UGL would be a lie. Therefore, there was definitely an incentive for LEUNG Chun-ying to assist UGL in successfully purchasing DTZ, even if this would mean turning down the higher prices offered by other companies and betraying other shareholders' interests. In that case, apart from having problems with his personal conduct, LEUNG Chun-ying might have even contravened the Prevention of Bribery Ordinance. For this reason, on 9 October, the Neo Democrats already reported the case to the Independent Commission Against Corruption, asking for a thorough investigation.

Deputy President, since we are discussing a very serious topic, I wish to request a headcount under Rule 17(2) of the Rules of Procedure.

DEPUTY PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

DEPUTY PRESIDENT (in Cantonese): Mr Gary FAN, please continue with your speech.

MR GARY FAN (in Cantonese): Deputy President, as I mentioned a moment ago, LEUNG Chun-ying himself stressed that since he already resigned from the DTZ Board on 24 November 2011, he had nothing to do with the decision of the Board to sell DTZ on 4 December. But then, LEUNG Chun-ying was later able to recount the various considerations of the Board in rejecting the offer made by another prospective buyer, a state-owned enterprise in Tianjin. An example of such considerations was the removal of the DTZ headquarters to the Tianjin Economic-Technological Development Area as an attached condition in the purchase proposal and other fine details like the need for obtaining the State Council's approval of the deal. LEUNG Chun-ying's knowledge of such confidential details is evidence that even if he had not taken part in making the decision of announcing the sale of DTZ, he must have at least participated in all the deliberations of the DTZ Board on the purchase proposals. And, this period of time could already enable DTZ to discharge its obligations under its agreement with UGL, and LEUNG Chun-ying could thus exert his influence in the DTZ Board.

Deputy President, when LEUNG Chun-ying was running for the post of Chief Executive, he responded specifically to the scandal of unauthorized building works (UBWs) besetting his rival Henry TANG, avowing that if he was elected Chief Executive, he would certainly act in an up-front and open manner. But what has happened in reality? The reality is that LEUNG Chun-ying has all the time been secretive and evasive, whether we are talking about the row over the Jury for the West Kowloon Reclamation Concept Plan Competition, the UBWs of his own residence and even the criteria of issuing free television licences. In all these disputes, he never told the whole truth right at the beginning. Regarding his secret deal with UGL, we simply do not know the answers to many questions, such as whether the DTZ Board and shareholders, the

Royal Bank of Scotland (its creditor) and Ernst & Young (its administrators) were aware of the inside stories of the deal, how much they knew, when they started to know, and so on.

All along, what Hong Kong people have been able to hear is just the story told by LEUNG Chun-ying himself. He claims that there is no problem with his moral integrity, apparently thinking that a lie repeated 100 times will become the truth. But what is the truth? The truth is that the Chief Executive received huge sums of money from UGL after his assumption of office without declaring to the public; he did not disclose the reasons for receiving the money, nor whether there were any attached conditions. It was not until the agreement was revealed by the media that he eventually made certain selective disclosures. All this has totally violated his election promise of acting in an up-front and open manner. LEUNG Chun-ying himself has totally wiped out the little credibility he may otherwise still command.

Deputy President, as the head of the Hong Kong Special Administrative Region, he should be monitored by the Legislative Council and all Hong Kong people with regard to everything he says and does. This is a point that even LEUNG Chun-ying, who describes himself as not a born political talent, should also realize. What is more, even if it is indeed true that he has never rendered any service to UGL, he must not forget that under the provisions of the secret agreement, he is still obligated to do so any time upon the request of UGL. Therefore, the point is not about whether LEUNG Chun-ying has provided any service or whether any conflict of interests is involved in his own personal judgment. Rather, the point is that since LEUNG Chun-ying is under contractual obligation to provide service and has continued to receive money without terminating the agreement after his assumption of office, this very act of his already constitutes "outside work", and he must make a prior declaration of interest, otherwise he shall be considered dishonest and suspected of dereliction of duty.

Many "royalist" and pro-establishment Legislative Council Members are concurrently Hong Kong deputies to the National People's Congress and Hong Kong members of the National Committee of the Chinese People's Political Consultative Conference. Constrained by the straitjacket of a united position required by the Beijing Government, the "royalists" will of course bear in mind their concurrent membership when casting their votes. Therefore, this motion moved by Ms Claudia MO under the P&P Ordinance actually stands very little, or

virtually no, chance of passage. But anyone who can think a bit more intelligently will realize that the incumbent Chief Executive, LEUNG Chun-ying, is untrustworthy. LEUNG Chun-ying has over and over again put his personal interests above the overall interests of Hong Kong. For the sake of his own power and position, he has sought to deceive all people and cover up all evidence of his acceptance of personal benefit.

Rather than once again choosing to have blind faith in the Chief Executive's "doublespeak" and one-sided story, the "royalists" should support the motion on empowering the Legislative Council to conduct a thorough investigation into this incident. LEUNG Chun-ying should be requested to disclose: the contents of his agreement with UGL; whether and when the agreement was brought to the full attention of the DTZ Board, its creditor and its administrators; whether UGL ever requested LEUNG Chun-ying to provide any service when the agreement was valid; and whether LEUNG Chun-ying actually rendered any service. All these questions should be left to the Legislative Council for investigation, so as to enable Hong Kong people to see everything clearly and give them back the right to know. For all these reasons, I rise to speak in support of Ms Claudia MO's motion.

With these remarks, Deputy President, pursuant to Rule 17(2) of the Rules of Procedure, I once again ask the Deputy President to conduct a headcount.

DEPUTY PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(While the summoning bell was ringing, THE PRESIDENT resumed the Chair)

(After the summoning bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): Prof Joseph LEE, please speak.

PROF JOSEPH LEE (in Cantonese): President, I speak in support of this motion moved by Ms Claudia MO under the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance).

Over the last two to three weeks, the incident involving the \$50 million secret agreement signed between the Chief Executive LEUNG Chun-ying and the Australian corporation UGL Limited (UGL) has been fermenting, giving rise to many queries. For example, the other day, LEUNG Chun-ying and UGL, from which he has received a huge sum of money, issued a statement expressing that the Royal Bank of Scotland (RBS), the major creditor, was aware of UGL's intention to sign an agreement with LEUNG Chun-ying. However, the RBS subsequently issued a statement saying that it was not involved in the drawing up of the agreement, and that it had no knowledge of the terms of the agreement and the amount received by LEUNG Chun-ying. Moreover, Ernst & Young also issued a statement reiterating that as an administrator, it did not know of the content of the agreement signed by UGL and the other party. So, is anybody lying? With each party telling its story, what is the fact? Given all these doubts, an inquiry is required before the truth can be uncovered.

In addition, some media reports pointed out that LEUNG Chun-ying holds a 30% stake in DTZ Japan through an overseas registered company, and the major client of DTZ Japan is Hong Kong Resort International Limited (HKRIL), as DTZ Japan is providing property valuation service to it. However, Victor CHA Mou-zing, the Chairman of HKRIL, is one of the shareholders of Asia Television Limited (ATV). Although ATV has been repeatedly replaying old television programmes, it has managed to survive for a long time and has its licence renewed. Thus, queries arise as to whether LEUNG Chun-ying has a conflict of interest over the renewal of the free-to-air television licences. As a public officer, does LEUNG Chun-ying have a conflict of interest? If not, what problem is there for us to conduct an inquiry under the P&P Ordinance for the public to know the truth? Such doubts must be cleared. An inquiry is all the more warranted when whether ATV has been favoured is involved.

There have been media reports ... I remember a colleague raised a question last week during the question session to ask if LEUNG Chun-ying had declared his assets when he assumed office as the Chief Executive and President of the Executive Council. However, through the media, I learned that the Chief Secretary had furnished a rather interesting reply. She said there was absolutely no conflict of interest for LEUNG Chun-ying, and that the agreement was not any

secret agreement but a commercial arrangement that was not made public. I would like to ask, since there are so many queries ... Does the Chief Executive LEUNG Chun-ying or other senior officials have other similar commercial arrangements that are not required to be made public? If so, why should there be the mechanism for declaration of interests? We have the mechanism in place but public officers are neither required to declare nor set examples themselves. That being the case, how should we behave?

President, just now, I have only briefly repeated the media reports in the last two to three weeks. My colleagues may have done so earlier. These many queries have given rise to one problem. The Office of the Chief Executive issued a legal letter to the Australian reporter but some media said this letter served to tacitly admit LEUNG Chun-ying's "five sins". First is corruption. This runs counter to the general direction of President XI. Should this kind of corruption be subject to suppression? Second is immorality. Is it right not to make declarations? Is it correct to keep everything secret? Third is favouritism. Should only certain people be favoured? Fourth is dishonesty. He has refrained from telling what he should have. Is he employing the art of double-talk? Fifth, is he still qualified to be a public officer? How should these "five sins" be addressed?

In my opinion, this motion moved by Ms Claudia MO under the P&P Ordinance to investigate precisely brings out the check-and-balance role of the Legislative Council. As Members of the Council, we absolutely have to play the role of checks and balances, which includes asking the Chief Executive to explain clearly the queries relating to the incident as we mentioned earlier. After the incident has surfaced, we can hear the different views put forward by Members. Our query is: How can there be such a bargain for a person to receive \$50 million without having to provide service and declare? Moreover, the person involved can say that there exists no conflict of interest, he has told no lies and can continue to be a public officer. All these warrant an inquiry.

I believe the Chief Executive has done all those but has chosen not to explain to the public as he was not elected by universal suffrage, but through a coterie election. Therefore, before the start of the debate on this motion, he only explained to a few "buddies", then — interestingly — these "buddies" clarified on his behalf. Why does the Chief Executive not hold a press conference voluntarily to explain to the public that the issues we mentioned earlier are wrong and not the fact? This move can at least do him justice.

I believe this inquiry invoking the P&P Ordinance can help the Chief Executive. I wish Members will support the invoking of the P&P Ordinance, which will help the Chief Executive clear the doubts about the "five sins" which I just put forth or other queries through this inquiry. I wish the Chief Executive can play it straight and not "be corrupt in the dark corner", so that Hong Kong can remain prosperous and stable.

Thank you, President.

MR SIN CHUNG-KAI (in Cantonese): President, if the Chief Executive has, in any other democratic society, involved himself in an incident similar to the present case of UGL Limited (UGL), he should have stepped down already. For example, two Japanese Cabinet members have to assume responsibility recently and resign for making some minor mistakes, probably for acquiring movie tickets as giveaways with public monies. What we are talking now is a case involving a huge sum of HK\$50 million, that is, a remuneration of £4 million plus a bonus of £1.5 million, amounting to £5.5 million in total. In fact, things should be most difficult for the Chief Secretary for Administration since it has been clearly stated in her reply to a question raised by Mr Albert HO last week that the response was given after consultation with the Chief Executive's Office. I just cannot help but suspect that when the Chief Secretary for Administration was giving her reply that day, even she herself did not really know if she was telling the truth since it was a reply prepared for her by the Chief Executive's Office, and she had no alternative but to read the reply to us as written.

Why should LEUNG Chun-ying try to evade the investigation by this Council and that by the media? There are several possibilities. First of all, it is believed that solicitors sitting here beside me would definitely advise us that when we are subjected to criminal investigation, we should never answer any question and should as far as possible avoid making explanation to the public, lest what we have said would be taken as evidence. This is one of the possibilities. LEUNG Chun-ying worries that something may go wrong in the course of criminal investigation, and therefore he makes every endeavour to avoid answering questions about the case. The second possibility, which also comes from the advice given by senior counsels sitting here beside me, is: he need not answer at all since "Grandpa" will definitely back him up. There is absolutely no need for him to answer because this is just a sheer waste of time. With the

support of Beijing, he can surely serve out his full term of office. There is no need to "blow the whistle" either, since Members will definitely "kneel down" and the motion moved by Ms Claudia MO today to try to initiate investigation will undoubtedly be negated.

I speak today to support Ms Claudia MO's motion since there are far too many doubtful points concerning the incident. I am not going to repeat the points raised by colleagues earlier, though I will also touch on the issues later. However, I would like to point out that there is one point which colleagues have not brought up just now and that is the issue of taxation. With regard to the issue, Mr LEUNG has once mentioned that under the legislation of Hong Kong, the remuneration of £4 million is not taxable. It is common knowledge for any average person that the remuneration, though not taxable in Hong Kong, should be taxable in the United Kingdom. Frankly speaking, this type of contracts can be drafted in such a way that they will come into effect and the amount involved be taxable in Hong Kong. It is the common hope of all normal persons to pay less tax. So, what do you prefer, to pay tax in the United Kingdom or in Hong Kong? In which places will a lower amount of tax be levied, in Hong Kong or in the United Kingdom? Why did he choose to pay his tax for the remuneration in the United Kingdom instead of Hong Kong? These are the questions he has to answer.

President, a secret agreement has been reached between LEUNG Chun-ying, the Chief Executive and UGL, an Australian enterprise, when the former was standing for the Chief Executive Election in 2011. Under the agreement, he received £4 million for selling the business of DTZ Holding Inc. (DTZ), subject to his support for the business development of UGL in Asia and his provision of service as a "referee and adviser". The said amount was paid to LEUNG Chun-ying in two tranches in 2012 and 2013 after he has taken office as the Chief Executive. I do not know if LEUNG Chun-ying has declared the remuneration he received to the Chief Justice of the Court of Final Appeal pursuant to Article 47 of the Basic Law.

The agreement with UGL also undertook ... according to the reply given by the Chief Secretary for Administration last week, there is no requirement for the Chief Executive to declare such payments. However, it is general accounting knowledge that such payments are actually accounts receivable, that is, money owed for products and services provided on credit and are usually regarded as assets. UGL also undertook in the agreement to underwrite for DTZ

the payment of a bonus of £1.5 million to LEUNG Chun-ying, though it was a bonus that DTZ has agreed to pay. Why did UGL need to pay the bonus? It involves the transfer of corporate equity to DTZ without the consent of the asset manager, Ernst & Young. Therefore, there are reasonable grounds to suspect that UGL has offered advantages to LEUNG Chun-ying with the aim of enticing his support for the acquisition plan. Nevertheless, LEUNG Chun-ying will not get away with this because investigation will be carried out by the Australian Government. Deliberation will probably be conducted in the first quarter of next year and by then, we can have a clearer picture of the detailed account of the incident.

As President of the Executive Council, the Chief Executive has to observe the system of declaration of interests for Executive Council Members, including the requirement for regular declarations. Under the requirement, registrable interests of Executive Council Members include remunerated employments, offices, trades, profession, and so on. LEUNG Chun-ying has explained that the agreement had been reached with UGL before he was elected as the Chief Executive and the remuneration was termination payment for which there was no requirement to declare. At the Council meeting of 29 October, the Chief Secretary for Administration repeatedly emphasized in her reply to the oral question raised by Mr Albert HO that the agreement was a resignation agreement, and that LEUNG Chun-ying had not provided any service to UGL. It is both confusing and misleading in saying so because the crux of the problem is not the provision or otherwise of service to UGL by LEUNG Chun-ying, but the existence or otherwise of any contractual obligations on his part to provide service to UGL. Although he has provided no substantial service, if he is required by the agreement to provide service, he still has the contractual duties to do so. It is the contractual duties that counts.

According to the agreement with UGL, LEUNG Chun-ying is required to assist in the promotion of UGL and DTZ as a referee and adviser from time to time and details of the requirement are as follows: "provide such assistance in the promotion of the UGL Group and the DTZ Group as UGL may reasonably require, including but not limited to acting as a referee and adviser from time to time". Under the agreement, he has contractual obligations to provide such assistance. Thus, after LEUNG Chun-ying has received the remuneration of £4 million in accordance with the agreement with UGL, he actually has the responsibility of providing service as mentioned above and so far, the agreement is still in force. The contract is valid and there are contractual obligations on the

part of LEUNG Chun-ying to deliver what he has promised. Such being the case, he should have made declarations in accordance with the system of declaration of interests for Executive Council Members since he is required to provide service to a private company. President, worse still, should the Chief Executive engage himself in any part-time work? Apart from assuming office of the Chief Executive, he has even taken up a part-time job. Why should he work part-time? Is there any other reasons for that? Furthermore, the statement released by UGL on 9 October also revealed that the agreement was effective until 2013, that is, after LEUNG Chun-ying had taken office as the Chief Executive. Therefore, the Chief Executive has obviously acted in violation of the requirements under the system of declaration of interests for Executive Council Members, and is suspected of concealing the agreement he has reached with UGL as well as accepting the advantage of £4 million.

Pursuant to Article 47 of the Basic Law, the Chief Executive, on assuming office, shall declare his or her assets to the Chief Justice of the Court of Final Appeal and the declaration shall be put on record. Since LEUNG Chun-ying has failed to declare the remuneration in question under the section of remunerated employments when declaration of interests was made to the Executive Council, we also have reasonable grounds to suspect that he has not made declaration as required by Article 47 of the Basic Law in respect of the financial interests, and this may constitute a serious breach on his part of the relevant requirement under the Basic Law.

President, as the Chief Executive, LEUNG Chun-ying should know very well that the post of Chief Executive has been vested with the greatest public power. However, he has failed to meet the reasonable expectation of the public on his impartiality in performing his public duties as the Chief Executive, since he is suspected of withholding from the public his acceptance of a huge sum of £4 million as well as a bonus of £1.5 million, and providing service on a confidential basis to a private company. Not only has he been suspected of abusing his power for personal gains, he may have also been involved in false or incomplete declarations under the declaration system for Executive Council Members. As the integrity of the Chief Executive is under challenge, he is definitely not suitable for holding public office anymore.

As regards the agreement reached between LEUNG Chun-ying and UGL, the crux of the matter is whether the Board of DTZ, its main creditor the Royal Bank of Scotland and DTZ's asset manager, that is, Ernst & Young of the United

Kingdom are aware of the relevant arrangement. The Chairman of DTZ, Tim ROSS, has told the Australian media that they knew nothing about the agreement between Mr LEUNG and UGL and the account given by him is at variance with the statement released later by UGL. In the statement released by UGL, it has been pointed out that the Royal Bank of Scotland, a creditor of DTZ, was fully aware of UGL's intention to enter into an arrangement with LEUNG Chun-ying and DTZ played a significant role in negotiating those terms with Mr LEUNG. It is important to let the public have a better understanding of the truth and confirm whether the Board of DTZ has resolved to support the arrangement. Most important of all, we have to ascertain if any decision has been made by the Board to support the acceptance of £4 million as well as £1.5 million of bonus on the part of LEUNG Chun-ying. In simple terms, if the issue has never been discussed by the Board but instead, LEUNG Chun-ying has only informed individual directors of the arrangement, can the advantages he accepted be regarded as authorized? Clarification and investigation are required in this regard.

President, there is in fact no need for us to evade the motion moved today. Everything will be fine if a press meeting can be timely convened by LEUNG Chun-ying as the person concerned of the incident to have the whole story explained clearly, the documents concerned disclosed openly and all questions put answered fully. Alternatively, a meeting can be arranged through the Chairman of the House Committee of this Council to offer clear, upright and honest reply to all questions put by Members. However, not only has he failed to offer his explanation to the public and to this Council, he has even chosen to approach a few Members of this Council and clarify the case to them in private, which is a contempt of both this Council and the public. In order to address the many queries raised, it is extremely necessary for this Council to invoke the Legislative Council (Powers and Privileges) Ordinance to summon all the people concerned and go through all related documents so as to present a full account of the facts of the incident. Some Members of the pro-establishment camp have repeated to us just now what LEUNG Chun-ying had told them in explanation and there may be a certain degree of reasonableness in the arguments presented, but it would be far more satisfactory if LEUNG Chun-ying can produce all the relevant documents to this Council so that members of the public may come to realize that LEUNG Chun-ying has actually been treated unjustly once again. He has the liberty to do so and may choose to do so any time but why did he opt to evade such queries raised over and over again? Even if LEUNG Chun-ying, in December that year, did not expect his campaign for the Chief Executive would be successful and had therefore decided to reach the agreement with UGL,

could the agreement be cancelled after he was elected as the Chief Executive? Is it possible to conclude another supplementary agreement for early payment of the remuneration or a 50% reduction of the amount from £4 million to £2 million, so that every endeavour could be made for him to maintain an untarnished reputation by fulfilling all the contractual duties before taking office as the Chief Executive? Was it possible for him to do so?

LEUNG Chun-ying, in his capacity as the Chief Executive, is granted access to government papers of highly confidential nature while at the same time, he has undertaken to provide service to a private commercial organization as a so-called "referee and adviser". It is totally incredible. Why could he hold the position of the Chief Executive for two years when the agreement was still binding on him? Why did he not terminate the agreement before taking office as the Chief Executive? As he had taken office as the Chief Executive and was so well-off as living at the Peak, was it really necessary for him to receive the remuneration? Although it is not of a small amount and no one would consider "money stinks", why did he not effect early termination of the agreement if he considered it not clear-cut enough to handle the matter this way?

Besides, it is also guaranteed in the agreement that LEUNG Chun-ying may, at any time within seven years after the acquisition of DTZ by UGL, sell the remaining shares he is holding to UGL with a minimum value of £200,000 (about HK\$2.5 million), plus 30% of the company's earnings before interest, tax, depreciation and amortization. This proves that the agreement is still in force and will remain valid until December 2018. Therefore, without taking the initiative to cancel the agreement upon assumption of office, LEUNG Chun-ying has obviously ignored public interests. Are there any other things he is still withholding and hiding as he is hankering after the financial interests which come with the agreement, or are there some other hidden reasons that cannot bear the light of the day?

On knowing that LEUNG Chun-ying has been elected as the Chief Executive, UGL should have realized that it would be quite impossible for him to perform his duties as a "referee and adviser". Why did UGL not ask for the cancellation of the agreement and stop the payment of the remuneration? This has provided us with much room for imagination as far as the possible reasons behind are concerned. Such being the case, it is necessary for this Council to set up a Select Committee to inquire if an extensive transfer of interests is involved at the back, in which private interests overrode public interests.

President, there is in fact another point we have to debate but our discussion today will not touch on the issue. It is about UGL and DTZ Japan. I understand that Ms Cyd HO will try to discuss in details next week such issues as the shares held by LEUNG Chun-ying in UGL and DTZ, whether any conflict of interests is involved and whether it has led to the decision of not issuing a domestic free television programme service licence to Hong Kong Television Network Limited, as well as his favouring the interests of Hong Kong Resort International Limited or Asia Television Limited. President, if LEUNG Chun-ying is upright and honest in the incident ... President, I can understand the frustration of Members of the pan-democratic camp today since it is believed that all Members of the pro-establishment camp will definitely stay here and defend LEUNG Chun-ying, especially under the compelling support to LEUNG Chun-ying's Government from Beijing and after the recent revocation of Mr James TIEN's membership of the Chinese People's Political Consultative Conference. Nevertheless, members of the public would not forget how LEUNG Chun-ying has repeatedly withheld or hidden the whole truth and President, things have become more and more depressing and people have no alternative but to accept such political scandals of abuses and corruption. If he is not involved in any of these scandals, why has he not made any clarification? Since he is reluctant to offer a full explanation, it is only natural that he will be suspected of having involved in the scandals.

With these remarks, I support Ms Claudia MO's motion.

MR CHAN KAM-LAM (in Cantonese): President, Ms Claudia MO's request to appoint a Select Committee and invoke the Legislative Council (Powers and Privileges) Ordinance to inquire into the allegation of the Chief Executive receiving the benefits of UGL Limited (UGL), an Australian corporation, is just a farce we have repeatedly seen at the meeting of this Council. The request originates mainly from a news report which, in total disregard of facts, has large elements of exaggeration ...

(Mr LEUNG Kwok-hung stood up)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, what is your point?

MR LEUNG KWOK-HUNG (in Cantonese): President, since a quorum is not present in the Chamber, I request a headcount in accordance with Rule 17(2) of the Rules of Procedure.

PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): Mr CHAN Kam-lam, please continue with your speech.

MR CHAN KAM-LAM (in Cantonese): President, such farces have been going on in this Council for some time and the request in question originates from a news report which, in total disregard of facts, has large elements of exaggeration. A number of pan-democratic Members have also made their assertion in this regard today but in my opinion, what I have heard are just arguments premised on distorted facts. Members of the opposition camp would of course regard the incident as a golden opportunity not to be missed and try to make a big fuss of the matter.

Judging from the facts released by both UGL and DTZ about what happened on 5 December 2011, it is not difficult to understand that the acquisition plan of DTZ by UGL is a very great move which will be of very great help to its corporate development. On 8 October this year, an Australian media reported that the Chief Executive had concluded an agreement with UGL, a listed company in Australia, before he was elected as the Chief Executive and under the agreement, UGL undertook to make a payment of £4 million to Mr LEUNG Chun-ying, subject to Mr LEUNG's undertaking of not to compete with and poach employees from DTZ. However, the agreement was described in the news report as a secret arrangement and a deal made under the table which both the creditor, the Royal Bank of Scotland, and the receiver, Ernst & Young, of DTZ were unaware of. The legitimacy of the arrangement was also queried so as to deal a direct blow to the integrity of the Chief Executive and arouse

widespread community concern. Nevertheless, arguments should after all be based on facts. A statement was released immediately by UGL on the next day, alleging the reference to "secret" agreement a groundless and misleading statement since DTZ's creditor, the Royal Bank of Scotland, was fully aware of the arrangement. It has also been pointed out directly in the statement that during the last two years, UGL did not request Mr LEUNG Chun-ying to undertake any task, nor did Mr LEUNG offer to perform any tasks for UGL. The truth has obviously come to light and the statement made is also found to tally with the explanation given by the Chief Executive's Office.

Nonetheless, journalists and those in the opposition camp continue to make up a big story about the case in order to smear the reputation of the Chief Executive. They just want to storm the whole city and let the trouble brew so as to provide a ground for hurling invectives by those who are good at playing politics in Hong Kong. Media pushing through the Occupy Central action is more than amused at making news on the issue by hyping it over and over again and foreign media has also tried to add insult to injury. However, according to the clarification made by a news report in the Australian media on 15 October, it turned out that the whole thing was just a misunderstanding since further perusal of the electronic mails and information at hand has revealed that all people and organizations of critical importance were actually aware of the agreement. It is as clear as daylight that in the course of negotiation, they were all fully aware of the agreement. The ethic and intention of the media concerned are thus open to question since at the outset, news reporting was performed recklessly without investigation and verification, apparently with an ulterior motive as well as treacherous intent.

As a media group of such a large scale, the Australian media should have verified comprehensively the authenticity of every single piece of information with the companies and the people concerned when reporting cases which may have such significance and the news article should only be published when it is supported by evidence. However, as specifically pointed out in the statement released by UGL, all companies and people concerned were aware of the arrangement but obviously, no investigation and verification whatsoever has been carried out by the Australian media reporting the case. I wonder if this is an oversight or a conspiracy. The journalist concerned has also stated frankly that anything which can do harm to LEUNG Chun-ying at this very moment is highly newsworthy. This is an indisputable fact. Apparently, though knowing so well

the possible impact of the information published, the journalist was determined to prepare the article at such a sensitive moment in a reckless manner without tracing the source of information, verifying the news with the persons involved and following up the case with the one who spilled the beans. It so happened that the news report has provided those in the opposition camp with an excuse to make a demand for the Chief Executive to step down, thus giving new impetus to Occupy Central, which has already cooled down, and enabling the movement to come to another climax. With public attention diverted, the journalist is in fact working in co-ordination with those in the opposition camp. It is even more paradoxical that the journalist who wrote the news article has met with persons including Martin LEE, the founding chairman of the Democratic Party, and CHAN Kin-man, one of the Occupy Central Trio, at the occupied area in Admiralty on 23 October. Members of the public may judge for themselves whether foreign media is scheming for something with those participating in Occupy Central.

Let me say a few words on the issue of conflict of interests. There are a few main points in the accusation made by those in the opposition camp against the Chief Executive. It is said that LEUNG Chun-ying is suspected of violating section 9 of the Prevention of Bribery Ordinance but it has already been stated clearly in the clarification made by both the Chief Executive's Office and UGL that the allegations about the so-called secret payments or unauthorized payment of commission, and so on, are sheer fictions that cannot be substantiated at all and are smearing of a political nature. The agreement is standard business practice and is in no way a special arrangement. As regards the suspicion of tax evasion, compensation payments for non-competition undertaking or payments made under restrictive covenant are considered capital income under local legislation on taxation. The rationale behind is to offer payments of a compensatory nature to persons suffering a permanent loss of their capital asset and thus, the allegation about tax evasion cannot be substantiated too. Regarding the disclosure of interests, as repeatedly emphasized by the Chief Executive's Office and the Chief Secretary for Administration, the Chief Executive has already observed the system of declaration of interests. He has neither breached the rules nor acted against the law, and therefore the allegations made by those in the opposition camp are all groundless charges. Such being the case, why should an investigation be carried out in this Council?

Moreover, even if he had acted against the law, investigation should not be initiated by this Council. Instead, it should be carried out by the Chief Justice or the relevant law-enforcement agencies. There should be no question of conflict of interests since the Chief Executive has not provided any service to UGL in these two years, and the question of personal integrity does not exist either, as the deal was made openly under broad daylight. Since neither the question of conflict of interests nor the issue of personal integrity is involved, it would be even more unjustifiable to have taxpayers' money wasted on such an investigation.

Hong Kong is a commercial society and we should respect all business arrangements which are in conformity with the law and long-standing rules observed by those in the business sector. Investigation into commercial decisions should not be carried out merely because of the strong advocacy espoused by some Members since it will be tantamount to exercising public power to interfere directly with business operation, which will deal a severe blow to the free market in Hong Kong. Members of the pan-democratic camp spoke vehemently last week to assert that if a precedent was set in deploying the "imperial sword" to inquire into cases involving private organizations and civil bodies, this Council will be endowed with infinite power. Why should an investigation be carried out into the conclusion of a lawful agreement by Mr LEUNG Chun-ying in his personal capacity with a business establishment if the request to investigate into illegal acts committed by private organizations is considered unnecessary? Apparently, the stance of those in the opposition camp is based on a dual standard.

Speaking of the adoption of a dual standard, a few words have to be said about the acceptance of political contributions, which is recently the talk of the town. Acceptance of payments is the key issue involved in both the case concerning Mr LEUNG Chun-ying and the offer of political contributions by Mr Jimmy LAI but in the former case, payments were made under an agreement and in accordance with the clear terms and conditions contained therein, and a clear and open explanation has been offered to address public queries. However, though suspected of accepting over \$40 million of political contributions from Mr Jimmy LAI, Members of the opposition camp have refused to offer any explanation to the public, thus rendering the arrangement truly a deal made under the table. Both Mr Gary FAN and Prof Joseph LEE have repeatedly

cited the reference to "reaping without sowing" just now but does such an overwhelming advantage really exist in this world? Let us see how Members of this Council have it today by accepting the said political contributions.

Some people has definitely disgraced themselves with what they have done in Occupy Central as well as the long-term campaign of acting against China and stirring up troubles in Hong Kong and they have shames deep down their hearts. According to media investigation and information exposed through the Internet, Mr Jimmy LAI, contributor of the black money, has secretly met with the officer-in-charge of the United States' intelligence agency in international waters before and after the start of Occupy Central, followed by the disclosure of a large number of bank statements, accounting documents and correspondence on the Internet, showing that not a single political party out of the Civic Party, the Democratic Party, the Labour Party has not accepted contributions of a huge sum from Jimmy LAI.

Take Ms Claudia MO, the mover of today's motion, as an example. Though Mr Jimmy LAI has acknowledged payment of \$500,000 to her, Ms MO denied and claimed that the money was a gift from her husband. There is thus a greater need for us to interrogate Ms Claudia MO and ask about the relationship between her and Mr Jimmy LAI.

MS CLAUDIA MO (in Cantonese): ... How is his speculation of his motives related to the issue under discussion? He is now directing serious personal attacks against me. At the press conference broadcast live on television, I already gave a clear account of everything ...

PRESIDENT (in Cantonese): Ms MO, it is not the time for you to speak. Please observe the Rules of Procedure.

MS CLAUDIA MO (in Cantonese): I know that. But, President, you cannot allow him to say so. I even produced my bank records. If you ask LEUNG Chun-ying to produce ...

PRESIDENT (in Cantonese): Ms MO, it is not the time for you to speak. Please sit down immediately.

MS CLAUDIA MO (in Cantonese): Why does LEUNG Chun-ying not produce his bank records?

PRESIDENT (in Cantonese): Will the Member please speak in accordance with the Rules of Procedure. The Member may rise to raise a point of order. Ms MO, are you saying that Mr CHAN Kam-lam's speech has violated the Rules of Procedure? If yes, please point out which provision of the Rules of Procedure he has violated.

MS CLAUDIA MO (in Cantonese): I think he has digressed from the subject matter, and he has made malicious personal attacks against me by saying things contrary to the facts.

PRESIDENT (in Cantonese): While the Rules of Procedure does not contain any stipulation that Members shall not say anything contrary to facts, it does provide that a Member shall not use offensive or insulting language about another Member, or impute improper motives to another Member.

Mr CHAN Kam-lam, please explain how your earlier speech is related to the issue under discussion in this Council.

MR CHAN KAM-LAM (in Cantonese): President, I am telling the truth. Ms Claudia MO did accept the \$500,000. And, Mr Jimmy LAI has told the media himself that he was the very person who offered this sum of money.

PRESIDENT (in Cantonese): How is this related to the issue under discussion?

MR CHAN KAM-LAM (in Cantonese): I now talk about this solely because Ms Claudia MO has moved a motion today on requesting an inquiry into Mr LEUNG Chun-ying's acceptance of monetary benefits from the UGL. I must therefore also make it a point to say that actually, many Members in the Legislative Council have likewise accepted doubtful donations from Mr Jimmy LAI recently. Regarding these acts of accepting money ... Just as some Members said a moment ago, windfalls simply do not exist in this world, right? Therefore, I must mention some instances for illustration and rebuttal purposes. While some Members have said in the Chamber of this Council that we must find out certain facts involving a person, many other matters are also in need of clarification.

Accepting money is one thing ...

MS CLAUDIA MO (in Cantonese): President, I think his remarks are seriously offensive. He maintains that his remarks are based on facts. But I must point out that while the Rules of Procedure does not contain any stipulation that Members shall not lie, none of his remarks is based on facts ...

PRESIDENT (in Cantonese): Ms MO, what you are saying does not constitute a point of order. Please sit down and do not interrupt the other Member again.

MS CLAUDIA MO (in Cantonese): President, however, you said just now that he should not use any offensive language.

PRESIDENT (in Cantonese): Ms MO, please point out which part of Mr CHAN Kam-lam's speech you think is in breach of the Rules of Procedure, and also the offensive language he has used.

MS CLAUDIA MO (in Cantonese): He keeps repeating Jimmy LAI's admission of giving me \$500,000. When was that? Will he tell us "who", "what", "when", "where" and "why", please.

PRESIDENT (in Cantonese): Ms MO, please sit down.

MS CLAUDIA MO (in Cantonese): I have already sat down.

PRESIDENT (in Cantonese): Mr CHAN Kam-lam, please stop repeating your remarks concerning Ms Claudia MO's acceptance of \$500,000 from Jimmy LAI. Please speak on the subject matter of this motion.

MR CHAN KAM-LAM (in Cantonese): President, I will not repeat her acceptance of \$500,000 from Jimmy LAI, because Members can know about this clearly as long as they read recent newspaper reports again. Therefore, I will not talk about this any further.

While accepting money is one thing, accepting money without making any declaration according to the requirements is a serious matter. If Members do not make any declaration, and if they then speak up for a media organization of the donor in the Legislative Council in an attempt to prove the presence of suppression of the organization concerned, they will be suspected of committing conflicts of interest. And, if they accept the money for the purpose of assisting in organizing any large-scale illegal movement, the accusations they face will be even more serious. What is more, the political parties concerned could have accepted the donations directly. In that case, why should those Members keep the donations first? Regarding such huge sums of money, are there any arrangements allowing them to receive the donations on behalf of the political parties concerned? And, are there any minutes of meetings that can be shown to the public?

PRESIDENT (in Cantonese): Mr CHAN, what you are saying now is likewise irrelevant to the subject matter under debate. Please speak on the subject matter.

MR CHAN KAM-LAM (in Cantonese): All right. President, I am simply talking about an issue which people are most concerned about — the issue of accepting benefits. I must point out any misconduct shown by any Legislative

Council Members, or else the public will cast doubts on the credibility of Members' remarks. Therefore, I must also bring up this matter, and I have only talked about it very briefly.

In addition, it was discovered recently that two of the Occupy Central initiators and Dr Robert CHUNG, Director of the Public Opinion Programme of the University of Hong Kong, were also involved in certain doubtful donations. This has turned them into the new protagonists of this "black money" scandal. Mr Benny TAI knew only too well that he would be questioned if he handled the donations to the university in the name of "Anonymous". Well, everything happens for a reason. If the sources of the donations could not be disclosed, why didn't he make this clear? Why should he instead covertly and secretly ... After being questioned repeatedly, he eventually revealed that the donor was a priest.

PRESIDENT (in Cantonese): Mr CHAN, you have still digressed from the subject matter. Please speak on Ms Claudia MO's motion.

MR CHAN KAM-LAM (in Cantonese): All right. President, thank you. There is never any free lunch in politics. Political donations are a kind of political investment. And, just like other kinds of investment, it also stresses investment returns. Dr Thomas CHAN from The Public Policy Research Institute of The Hong Kong Polytechnic University once talked about the ills of money politics brought about by political donations. He said that even year-one university students were already able to understand this clearly, and he went on to question why the pan-democratic camp could simply pretend to have no such knowledge or think that people did not understand this. I must therefore say that the motion moved by Ms Claudia MO today is totally unnecessary. And, from my observation of her speeches over the past period of time, I notice that she has gone after the Chief Executive relentlessly. Before Chief Executive Mr LEUNG Chun-ying assumed office, she already demanded him to step down. And, over these two years, she has kept defaming or smearing Mr LEUNG Chun-ying on various pretexts. I think Members from the pan-democratic camp should reflect on themselves, as they are the very ones who give people the feeling that the Legislative Council today commands no popular support. Thank you, President.

MR WU CHI-WAI (in Cantonese): President, the royalist Members repeatedly criticized the pan-democratic Members for creating troubles for themselves and making troubles in a bid to prompt LEUNG Chun-ying to step down. Nonetheless, the fact is that LEUNG Chun-ying himself has admitted the existence of this contract, his receipt of money, and that it is not necessary for him to render the relevant services pursuant to the contract, as well as his receiving two secret payments during his term of office — in other words, he had indirectly admitted his provision of service to an outside party during his term of office.

All of the above will certainly arouse doubts. Moreover, his behaviours were not in compliance with Article 47 of the Basic Law, which stipulates that "The Chief Executive of the Hong Kong Special Administrative Region must be a person of integrity, dedicated to his or her duties", and inconsistent with the remark he made when running in the election: "As a political figure, he must be whiter than a white sheet".

In our view, it is absolutely necessary to carry out an investigation against the conducts of LEUNG Chun-ying, hence I give my speech to support Ms Claudia MO's motion. But I think what is more important is to find out whether the decisions and arrangements by LEUNG Chun-ying are in contravention of the requirement to hold him accountable to the SAR Government ...

(Mr LEUNG Kwok-hung stood up)

PRESIDENT (in Cantonese): Mr WU, please hold for a moment. Mr LEUNG Kwok-hung, what is your point?

MR LEUNG KWOK-HUNG (in Cantonese): I think a quorum is not present in this Chamber. Will the President count the quorum according to Rule 17(2) of the Rules of Procedure.

PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): Mr WU Chi-wai, please continue with your speech.

MR WU CHI-WAI (in Cantonese): President, Mr CHAN Kam-lam just mentioned that receiving political contributions would have very serious consequences. I think what he said is remarkable. His remark has actually explained why the pan-democracy camp has been longing for a clear investigation into the matters involving conflict of interests or impaired credibility on the part of the Chief Executive of the SAR. We understand that politicians should in fact need to be whiter than a white sheet.

Members from the pro-Government camp said earlier that investigation was unnecessary, as Mr LEUNG Chun-ying had already explained clearly. However, why did Mr LEUNG Chun-ying deliberately hold a meeting behind closed door on 4 November with some Members from the pro-establishment camp, in which he explained the details on his receiving the money, and why he made in the board of directors a decision which might be detrimental to the interests of shareholders and creditors — selling the DTZ to the UGL Limited (UGL) instead of China's state-owned Tianjin Innovation Financial Investment Company (Tianjin Company), which offered a higher bid? For all these queries, he needs to expound clearly to us.

As a matter of fact, all members of the public want to know what Mr LEUNG Chun-ying did in the process, and why he made this decision and arrangement. However, it is unfortunate that he only selectively explained to some Members from the pro-Government camp. If you think that it is not necessary for him to explain, neither will it be necessary for him to explain to you. Why did he have to particularly explain to you? Of course, he has to tell you that he is all right, and ask you to explain for him. However, why would he let you explain for him, instead of explaining by himself? That is the crux of the question.

After reading the news coverage, I think that investigation is even more necessary. Perhaps I try to present the case in another perspective and let Members think about it. According to what Mr LEUNG Chun-ying said, he thought it was better to sell the DTZ to the UGL rather than to Tianjin Company, and there were two reasons: Firstly, the transaction period with the latter was

too long, and he deemed it risky. Secondly, the latter requested that the headquarters of the DTZ be moved from the United Kingdom to Tianjin, and he found it inappropriate.

I think this aspect is very important and warrants investigation, as this decision is a very big insult to a state-owned enterprise in regard to its ability to complete an international transaction. Besides, this will also leave an impression to the public that after a state-owned enterprise has acquired another international enterprise, it is an inappropriate arrangement to move the headquarters of that international enterprise to Tianjin in the Mainland. If we do not investigate clearly, we will actually put the blame wrongly on the country. Even Mr LEUNG Chun-ying said he felt that this international transaction could not be completed if the DTZ was sold to a state-owned enterprise. Apart from that, it was also inappropriate to move the headquarters of the DTZ to Tianjin. In my opinion, a thorough investigation into the reasons leading Mr LEUNG Chun-ying to make this judgment is very important.

There is another flaw in his judgment. The shareholders and creditors of the DTZ have indeed lost £100 million on the acquisition price due to his judgment. Therefore, this decision made by him as a director has obviously run against the fiduciary duties of directors in striving for maximum benefits for the shareholders. In fact, if someone was worried that accepting the acquisition proposal of Tianjin Company would affect the interests of shareholders, we will then have to ask whether Tianjin Company has no money to conduct the transaction. If Tianjin Company has money to conduct the transaction, and after the transaction has been completed, the shareholders and creditors would really receive £100 million more in the acquisition. How would it be possible that Mr LEUNG Chun-ying's decision did not incur losses to the shareholders?

In my opinion, the agreement states clearly that after Mr LEUNG Chun-ying has received this sum of money, he will be responsible for allowing the UGL to complete the acquisition. This arrangement will actually incur losses to the shareholders and creditors. If the media coverage is correct, neither the creditor, Royal Bank of Scotland, nor the trustee, Ernst & Young, were aware of the agreement arrangement, and this is a rather serious matter. Hence, due to these few reasons, if the case can be investigated clearly, I think it will be a good deed.

If an investigation is not conducted, to say the least of it, the pro-establishment camp can invite Mr LEUNG Chun-ying to reveal the information discussed or noted in your private meeting, so that the public will have the opportunity to raise questions. This is a very desirable arrangement, and the "imperial sword" can also be spared. However, why did Mr LEUNG Chun-ying not adopt this arrangement? Why can Mr LEUNG Chun-ying not let the public know the reasons behind his decision?

I consider it carefully and at length, but it has me at my wit's end. I can only support this motion moved in accordance with the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) by Ms Claudia MO, in order to have the truth unveiled to the world without any cover. Perhaps Members may laugh and say that I gagged up a little in my speech just now. Nonetheless, the general public very much want to know the truth indeed. They want to know why Mr LEUNG Chun-ying would think that Tianjin Company, which offered a higher bid in the acquisition, was not an ideal choice.

In my opinion, all these factors are worth of careful consideration, and the P&P Ordinance should be invoked to carry out an investigation so as to be fair to the state-owned enterprise.

With these remarks, I support the motion. Thank you, President.

(Mr LEUNG Kwok-hung stood up)

MR LEUNG KWOK-HUNG (in Cantonese): Point of order. I request a headcount, I think in the Chamber at present, a quorum is not present.

PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, please speak.

MR LEE CHEUK-YAN (in Cantonese): President, I speak in support of Ms Claudia MO's motion to invoke the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to investigate LEUNG Chun-ying.

Mr CHAN Kam-lam expressed earlier that we said on the last occasion the "imperial sword" would not be used to investigate private organizations. I wish to make it clear that we are now using the "imperial sword" to inquire into the Government, the Chief Executive, and the "imperial sword" actually should be used to inquire into the conduct of the Government and those with public power. It is now very obvious that LEUNG Chun-ying holds public power; it is only right to use the "imperial sword" to inquire into him.

We of course know that under the escort and defence of the pro-establishment Members, this motion moved today will definitely not be passed, but it is my sincere wish that every pro-establishment Member can declare his interest when he rises to speak because among those Members, quite a number are members of the Standing Committee of the National People's Congress (NPCSC) and the Chinese People's Political Consultative Committee (CPPCC). Right now, the NPCSC and the CPPCC have given them the highest instruction to support LEUNG Chun-ying. Under this premise, no matter what wrong LEUNG Chun-ying has done, they have to lend their blind support. Under such circumstances, I would like them to state clearly.

As we all know — Mr James TIEN is not in attendance — As Mr James TIEN asked LEUNG Chun-ying to resign ... He suggested instead of asked. He only suggested LEUNG Chun-ying to resign but was dismissed and stripped of his membership. So, how can we expect those members of the NPCSC and the CPPCC who are now in attendance to treat this matter fairly? They have to blindly support LEUNG Chun-ying because they are afraid of being dismissed. They are afraid of not being able to be members of the NPCSC and the CPPCC. Did they pledge their allegiance to the people of Hong Kong or the Chinese Communist regime? This is crystal clear to us, and we do not have to speculate. Therefore, no matter how sufficient the arguments are for this motion, the pro-establishment Members will definitely veto the invoking of the P&P Ordinance.

Looking back at our arguments, they are actually very simple. Article 47 of the Basic Law stipulates that the Chief Executive must be a person of integrity, dedicated to his or her duties. In the UGL Limited (UGL) incident, we have to

look at whether LEUNG Chun-ying has lived up to such requirements. First, we all know that he has received \$50 million (£4 million). This is a hard fact, but has he declared it? When Mrs Carrie LAM replied to Members' questions in the Legislative Council that day, she expressed that cash was not included in the assets which had to be declared to the Chief Justice of the Court of Final Appeal. In other words, he did not make such declaration. I would like her to further clarify if he has made a declaration on the whole issue. Although she said even his wife might not know how much money LEUNG Chun-ying had, the amount under discussion now is astronomical — \$50 million, as we all know. He should explain clearly whether he has declared it. Yet, he has not done so from day one.

President, the second point is about being dedicated to his duties. Is "moonlighting" an act of dedication to his duties? While being the Chief Executive, he was at the same time performing another duty for UGL. In this regard, I know the Chief Secretary for Administration had said that there was nothing wrong since a so-called "non-competitive, no poaching" commercial agreement was involved, and the Chief Executive did not have another contractual duty to provide any service to UGL. The Chief Secretary said, "The agreement is not a public commercial arrangement, and the agreement and money stem from LEUNG Chun-ying's resignation from DTZ instead of from any service he has to provide".

This is what the Chief Secretary said, "Not because of any service provided by LEUNG Chun-ying. Upon the signing of the agreement, LEUNG Chun-ying had not provided UGL with any service". I do not consider that such words have revealed the full picture. Let us take a look at the entire contract, and would the Chief Secretary also open her eyes and read clearly the contract between UGL and LEUNG Chun-ying? Apart from guarding against poaching and competition, the contract subjected him to "provide such assistance in the promotion of the UGL group and the DTZ group as UGL may reasonably require, including but not limited to acting as a referee and adviser from time to time". The provisions clearly stated that services must be provided to UGL, including both advisory service and assistance. If these provisions are not about providing services, what are they about? If no duties had been involved in the entire incident and he has not provided any service, I would like to ask the Chief Secretary what purpose the provisions in the contract serve?

Of course, the Chief Secretary would argue that upon making amendments to the agreement, LEUNG Chun-ying had not provided service to UGL. We do not know if this is the case, and that is why we have to conduct an inquiry. Even if he had not provided service, he was duty-bound to do so. Then, there is an issue with being "dedicated to his or her duties" and "moonlighting". He pledged allegiance when he took office as the Chief Executive, but at the same time he had an undertaking to perform other duties for another corporation. Could he still be regarded as dedicated to his duties? Even if he had not performed his duties or provided service — I have no idea if he had done so or not, this is what we have to inquire into — and even if he had not, he had the duty to provide service. Therefore, we can clearly see that in this incident, LEUNG Chun-ying has in fact received \$50 million, and he had to provide service while in office. Of course, we can say that he has put down in writing "provided no conflict of interest" and signed, but this represents a case of "he really confesses all when he denies all". Apparently, he had the intention to provide service but being very shrewd, he added a note on his own stating that there must be no conflict of interest. Nonetheless, even with this note, it is very clear that he was aware he was duty-bound to provide service.

It is obvious that after receiving \$50 million, LEUNG Chun-ying did not declare it. It is also very clear that he had to provide service and these two aspects are in breach of Article 47 of the Basic Law. We can see no reason for not carrying out an inquiry. LEUNG Chun-ying always mentions the need to be open and transparent, but we can see how sneaky he was when handling this matter. We can say that LEUNG Chun-ying is a male who is extinct from this world because sneaky people as such are non-existent.

At the outset, he issued a legal letter to the reporter, warning that in case of a report, legal action would be taken. Although the reporter asked him to respond to some enquiries, he issued a legal letter to the reporter instead. Why must he do that if he was not feeling guilty? Moreover, why has he all along been reluctant to come out to explain and just resorted to making statements, thus denying people of the chance to ask questions? Why did he, out of no reason, meet with five pro-establishment Members afterwards for unknown discussion? We really are at a loss. There are in fact numerous ways for LEUNG Chun-ying to handle the matter, but he has chosen the least desirable and the most disgusting one, giving the impression that he is only explaining to the pro-establishment camp. Why can he not explain to all the people of Hong Kong? Why has he to

choose the least desirable way? I have no knowledge what information has been made available to the pro-establishment Members or how much they have discussed. They may not divulge because they have to be loyal to LEUNG Chun-ying.

The way he handled the whole incident already makes one feel that an inquiry is necessary. If he has no sense of guilt, why has he to act sneakily and refrain from making an explanation up to now? He has been reluctant to hold even one press conference for questions to be asked, and every time he just resorts to issuing statements which involve other parties or stakeholders, including the RBS, which is not aware of this agreement. LEUNG Chun-ying intentionally sold DTZ to UGL instead of a Tianjin company. Was that the result of a higher offer price or some tricks, and did he do that to pay UGL back? No one knows. What the various stakeholders have been saying differs from that told by LEUNG Chun-ying. Should there not be an inquiry?

Thus, President, with regard to this incident, I do not consider that we should let LEUNG Chun-ying off the hook with no reason, saving him from having to explain — this is of course what the pro-establishment Members most hope for. I think the people of Hong Kong have seen the fact. They have seen how they have let LEUNG Chun-ying off.

Mr CHAN Kam-lam earlier made slanderous accusations as he always does. He often queries if Jimmy LAI has made donations to the democratic political parties, but Jimmy LAI is the only person he has cited all over. However, on a dinner party, the DAB received \$60 million. Would they please name the donor? Since they said there was no unearned income, how would I know what they had done? Please name all the consortia for us to see how much they have done for them. President, I see that despite having always made slanderous accusations, they have failed to consider their situation and explain the source of their political donations. I find this smearing of other people very regrettable.

Finally, I wish Members today can focus our discussion on the responsibility of LEUNG Chun-ying in this incident. The matter definitely warrants an inquiry. In addition, the Chief Secretary has the duty to give a clear reply too, since she did not give the full picture when she said just now the

agreement did not stipulate that LEUNG Chun-ying had to provide service. This in fact does not tally with the content of the agreement. She should clarify this point and not mislead the Hong Kong people.

Thank you, President.

(Mr LEUNG Kwok-hung stood up)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, what is your point?

MR LEUNG KWOK-HUNG (in Cantonese): President, under Rule 17(2) of the Rules of Procedure, I would like to have a headcount.

PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): Mr NG Leung-sing, please speak.

MR NG LEUNG-SING (in Cantonese): President, take a look at our surroundings and you will find that they are rather desolate. Many people are probably aware of the current situation of the Legislative Council and notice the various tricks and moves that have been employed in this Council recently, as well as the summoning bell ringing habitually, which is a waste of our time. Lately, the so-called "exhaustion tactic" is often deployed, with different moves made frequently at short intervals, in a bid to exhaust the opponents who are made to react frantically, and thus incessantly wasting everybody's energy. The opposition plays tricks of various sorts, including the introduction of the type of motion in question, at the expense of our society's money and energy. Seizing on the slightest pretext available, they spearhead an array of moves, repeatedly playing familiar tricks which wear thin our patience in the Council. Of course,

there are some who enjoy putting up opposition just for the sake of opposing and these moves are in fact part of a series of "non-co-operation movement" which aims at paralysing the governance of the Government, causing the Government to get blamed for everything and thus bringing it to a standstill. Regrettably, this kind of exhaustion is wasting the precious resources of society, the hard-earned money of taxpayers, and even the priceless time available for improving the livelihood and reviving the economy, and thus depleting all Hong Kong's competitiveness in the end.

The opposition has fabricated an accusation, a serious one, but with flimsy evidences that are enriched with rumours and speculations. Just now, a barrister even talked about whether a lawyer is smarter and stands taller in the crowd. I do not wish to arouse any controversy as we should not discriminate against others. Therefore, I am not going to say whether a lawyer, or a doctor, or someone else is smarter. But then, it was really an eye-opener just now to hear the spontaneous sophistry coming from a barrister.

Judging from the information available from open sources, this is a simple commercial deal that has however been described as very problematic. This kind of agreement is very common in the commercial sector. A senior executive in charge of an accounting firm has also commented on the case from a merger and acquisition perspective, stating clearly and openly on newspaper that such stipulations are found commonly in merger and acquisition deals. When these transactions were taking place, Mr LEUNG was neither a Member of the Executive Council nor the Chief Executive, and therefore he had the full right to sign such kind of agreement. Furthermore, this agreement which allowed Mr LEUNG to leave the business sector afterwards and cease participating in DTZ's business operation is clearly drawn up to reasonably provide a gratuity for his departure from the sector, on top of a commercial compensation for a "non-compete, non-poach" undertaking. This kind of documents and such agreements are definitely not secretive. DTZ's main creditor, the Royal Bank of Scotland, its administer Ernst & Young and the DTZ chairman have all participated in the negotiation of the contract. These are all clear evidences. People who try to complicate the case are in fact harbouring ulterior motives.

(THE PRESIDENT'S DEPUTY, MR ANDREW LEUNG, took the Chair)

Deputy President, all these actual facts show that these people are indeed very smart, as claimed by a certain barrister just now. With their natural oratory power, they are able to give the impression that Members from the pro-establishment camp are greedy and gluttonous. They also suggested that Mr WONG had taken a meal — such that Mr WONG had to ask on the spot for details of the meal. In reply, the barrister said, "Taking a cup of tea and having a bun, perhaps." Everything can be made up by them without any regard to the truth or falsity, and simply for the sake of creating a certain ambience. They never cease to fabricate tall stories out of scant data, escalate the significance of all trivial matters with the ultimate objective of undermining the governance credibility of the Government, smearing the names of public officers, business executives and all other relevant professionals, with a view to aiding the opposition to gain political advantage amidst the chaos. Hence, all Hong Kong people have to realize and stay alert to the plot behind these motions, together with the fact that more instances of white terror will be faced by the business sector in their political participation, under the recent political circumstances which are increasingly complicated.

Finally, I am going to cite people's responses to this motion. They consider that the varying amounts of financial contributions made to Members of the opposition by media people who were under investigation earlier — we all know which media firm they work for — and by those foreign foundations, have definitely a much bigger impact to Hong Kong's security than this standard commercial agreement concerning Mr LEUNG. These members of the public have further reminded me, "As Members of the Council, please avoid getting sidetracked by the opposition."

Deputy President, I so submit.

MS STARRY LEE (in Cantonese): Deputy President, I rise to speak against the motion to invoke the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to inquire into the incident involving Mr LEUNG Chun-ying. I oppose the attempt to use this UGL incident to turn the Council into an open court of law to achieve the political goal of "overthrowing LEUNG".

Deputy President, even though the Council has discussed for many times the question of whether the P&P Ordinance should be invoked, in order to make it easier for the public watching the live broadcast to understand the entire matter, I have to stress again the effects of invoking the P&P Ordinance. Once this

Council should pass the motion to invoke the P&P Ordinance to set up a Select Committee, the said Select Committee will immediately have the power to summon witnesses and require the submission of documents, just like that of the Court. In other words, the Legislative Council will immediately turn into an open court in front of the television camera. Besides, each and every Member will be the juror or judge, asking questions and eventually writing reports or judgment with reference to the information collected during the hearings. The P&P Ordinance is an "imperial sword" of the Council, the Democratic Alliance for the Betterment and Progress of Hong Kong will not use it arbitrarily. Most important of all, we need to consider whether huge public interest is involved in the matter to be inquired into, whether there is sufficient evidence, and whether it is appropriate for the Legislative Council to inquire into the matter.

Deputy President, the focus of this debate today is that a Member requests this Council to invoke the P&P Ordinance to inquire into an incident involving the incumbent Chief Executive. It is a major constitutional matter for the Legislative Council to investigate the incumbent Chief Executive, and yet none of the Members who spoke before me mentioned about this point. I would like to first place the focus on the question whether it is within this Council's constitutional role to investigate the Chief Executive. In other words, we need to sort out the relationship between the Chief Executive and the Legislative Council under the Basic Law. Let us first look at the relevant provisions of the Basic Law. According to Article 47 of the Basic Law, "The Chief Executive of the Hong Kong Special Administrative Region must be a person of integrity, dedicated to his or her duties. The Chief Executive, on assuming office, shall declare his or her assets to the Chief Justice of the Court of Final Appeal of the Hong Kong Special Administrative Region. This declaration shall be put on record." Moreover, Article 73(9) stipulates, "If a motion initiated jointly by one-fourth of all the members of the Legislative Council charges the Chief Executive with serious breach of law or dereliction of duty and if he or she refuses to resign, the Council may, after passing a motion for investigation, give a mandate to the Chief Justice of the Court of Final Appeal to form and chair an independent investigation committee. The committee shall be responsible for carrying out the investigation and reporting its findings to the Council. If the committee considers the evidence sufficient to substantiate such charges, the Council may pass a motion of impeachment by a two-thirds majority of all its members and report it to the Central People's Government for decision." Deputy President, from the aforementioned provisions we can see that under the Basic Law, the Chief Justice of the Court of Final Appeal is the major execution agency

responsible for monitoring the integrity and dedication of the Chief Executive. The Chief Executive is required to declare his assets to the Chief Justice of the Court of Final Appeal rather than the Legislative Council. Likewise, it is the responsibility of the Chief Justice of the Court of Final Appeal and the independent investigation committee to investigate whether the Chief Executive is really involved in serious breach of law or dereliction of duty. As regards the Legislative Council, its role is to move a motion on the basis of reasonable suspicion and specific evidence to give a mandate to the Chief Justice of the Court of Final Appeal to form and chair an independent investigation committee to carry out an investigation, and to study the report of the investigation committee before deciding whether or not to commence the impeachment process.

Deputy President, the provisions under the Basic Law are in fact full of wisdom. The distribution of work under the Basic Law serves to ensure that if the need to investigate the Chief Executive should arise, the investigation would be carried out by an independent investigation committee chaired by the Chief Justice of the Court of Final Appeal. Besides, instead of leaving the investigation in the hands of Council Members with political stance, the investigation must be carried out conscientiously and the principle of procedural fairness must be upheld. An independent investigation committee chaired by a judge is highly trusted by members of the public, as they believe that the investigation committee will carry out the investigation impartially, and is therefore the appropriate agency for the job. On the contrary, if this Council passes the motion to invoke the P&P Ordinance to investigate the incumbent Chief Executive, Members with clear political stances will be fully responsible for conducting the hearings and drafting the investigation report. How, then, can we ensure that the entire process is in line with procedural fairness? I hope Honourable colleagues who support invoking the P&P Ordinance to conduct the investigation can give some good thoughts to this question.

Deputy President, we all know it clearly that the Legislative Council is a platform for political forces to wrestle against each other, and Members of the Council hold very different views, and particularly so if the Government led by LEUNG Chun-ying is involved. Some Members of the opposition faction had already urged LEUNG Chun-ying to step down even before he assumed office. Given such a demand and their "topple LEUNG" stance, Members of the opposition faction have been using each and every opportunity available at Council meetings since the commencement of the current term of the Council to

undermine the governance of the Chief Executive and hinder the work of the Government. The means they have employed include filibustering, invoking the P&P Ordinance to move a motion of no confidence or even a motion of impeachment. Just now Mr LEE Cheuk-yan mentioned about the need for interests declaration, I likewise request that Members of the opposition faction make a declaration: Which one of them has never asked LEUNG Chun-ying to step down before they join this discussion today? Just imagine, will members of the public believe in the investigation carried out by Members with clear political stances and the report written by them? Will the investigation and report have any credibility? In the face of continuous political attacks, the pro-government faction certain has to stand firm and say no to any destructive moves. Naturally, we will be "supporting LEUNG" to different extents. Our objective is very clear: We just want to ensure that a legal, constitution-abiding, wholehearted and competent Chief Executive can implement his policies effectively and free of any malicious attacks.

Deputy President, giving that the "support LEUNG" and "topple LEUNG" camps in this Council are so obvious and hard to reconcile, if today's motion is passed and a Select Committee is set up to investigate the Chief Executive, this Council will certainly be turned into a court for "toppling LEUNG", thereby enabling Members with ulterior motives to further damage the credibility of the SAR Government. Hence, the Democratic Alliance for the Betterment and Progress of Hong Kong will not support invoking the P&P Ordinance or turning this Council into a court for "toppling LEUNG". Every person is equal before the law, and this is a fundamental principle of law. We have to ensure the procedure fairness of the investigation carried out to investigate the Chief Executive, so as to realize the spirit of rule of law in Hong Kong.

Deputy President, the Secretary for Justice has announced earlier on that in order to avoid any possible perception of bias, partiality or improper influence, the Director of Public Prosecutions (DPP), Mr Keith YEUNG, is delegated with the authority to handle the matter including (should it eventually become necessary to do so) considering and deciding whether any prosecution action against any persons is warranted. Now that the Secretary for Justice has authorized the DPP to handle the matter, why can't Members of this Council wait a little longer? Why must they try every possible means to anxiously turn the Legislative Council into a court of politics? I believe members of the public can understand very well the political motive behind all these.

Deputy President, let me come back to the content of the agreement involved in today's motion. Some of the Members who spoke earlier on have overstated the matter too much: Mr Gary FAN said the agreement was a secret agreement; Mr Ronny TONG accused the Chief Executive of violating the law and cheating DTZ's board of directors and small shareholders. Actually, all these allegations have yet to be validated. An agreement in black and white is certainly not a secret agreement. I wish to tell Mr Gary FAN what a secret agreement is. Earlier on, the media brought to light the political donation made by Jimmy LAI via Mark SIMON in the absence of any contract, and this may most probably point to a secret agreement.

Some allegations also accuse LEUNG Chun-ying of cheating the shareholders, claiming that the board of directors was not aware of the matter. As Mr CHAN Kam-lam has pointed out, the respective statements issued by UGL and the Chief Executive's Office have both made clarifications in this respect, only that the Members concerned have chosen not to quote them, and they selectively quoted some unverified information instead. Their objective is very simple: to repeat the unverified information incessantly or some simple slogans like "making secret agreement", "reaping without sowing", "bribe-receiving Chief Executive" to further undermine the credibility of the Chief Executive and keep on smearing him. Deputy President, I really hate to see such kind of comments. As such, I will make some good quality comments on the body text of the contract involved.

It is revealed in the disclosed information that the Chief Executive does not have any conflict of interest in this incident, and I also consider that he has not done anything in violation of the integrity requirement. After consolidating the various relevant information, I would like to first speak on the beginning and subsequent development of the entire matter. Before running in the Chief Executive election, Mr LEUNG was a CEO of the DTZ Holdings (DTZ) responsible for DTZ's businesses in north Asia, and he was also the founder of such businesses. On 24 November 2014, Mr LEUNG resigned from DTZ, and UGL bought DTZ in December 2011 at a price of £7.75 million. Mr LEUNG signed an agreement with UGL on 2 December 2011, and according to the UGL agreement, DTZ would pay Mr LEUNG the following sums of money: First, DTZ would pay a £1.5 million cash bonus to Mr LEUNG, and the cash bonus was for the period between 1 May 2010 and the date when the transaction was completed; and Second, UGL would pay Mr LEUNG £4 million within two years

after the transaction was completed. According to the disclosed text of the agreement, UGL would pay Mr LEUNG the aforementioned £4 million on these conditions: First, Mr LEUNG should not, directly or indirectly, hold any licences, assets, agreements or approvals that are relied upon by the DTZ Group for the purpose of performing its business, and if Mr LEUNG should still hold such, he had to transfer them to UGL; and Second, if Mr LEUNG should accede to DTZ's request, he would need to resign from all the positions he held in DTZ; Third, upon resignation from the relevant posts, Mr LEUNG would be subject to the following constraint: (a) he would not solicit or entice away any DTZ or UGL personnel and clients with whom he had business dealings in the 12-month period immediately prior to his resignation; (b) he would not conduct any business with the personnel, companies or clients mentioned in (a); (c) he would not solicit or entice away any employees or senior executive personnel of DTZ or UGL; and (d) he would not set up or be employed in any businesses in Hong Kong, China and other places specified in the contract that are related or rival to DTZ or UGL.

Deputy President, according to UGL's agreement, Mr LEUNG did add an additional undertaking. First, he would provide such assistance for the UGL Group or the DTZ Group as UGL may reasonably require, including but not limited to acting as a referee and adviser, provided that such assistance does not create any conflict of interest; besides, he would support the acquisition of the DTZ Group by UGL and not make any statements (whether public or private) criticizing the purchase, disparaging any member of the DTZ Group or the UGL Group or any of their officers or employees.

Deputy President, basing on the aforesaid contract terms, I have made the following analysis. First, according to the UGL agreement, Mr LEUNG has made an undertaking with UGL, the main points of which are that Mr LEUNG can no longer hold any licences and assets which are relied upon by DTZ for performing business, he cannot participate in any businesses in competition with UGL or DTZ, and he cannot entice away any clients or important employees of UGL or DTZ. These are normal and established terms and conditions used in business acquisitions to impose limitations and constraints to prevent competition. Besides, the purpose of such terms and conditions is very clear, which is to safeguard the interest of the acquirer and ensure the commercial value of the acquired asset within a reasonable period of time. As such, the agreement concerned is by no means any secret agreement.

To achieve the aforementioned purpose, UGL paid Mr LEUNG £4 million. The ratio of this £4 million to the acquisition price is about 5%. The major profit-generating businesses of DTZ come from the Asia-Pacific region, and Mr LEUNG was the founder of the businesses in this region. Hence, I cannot see why it is unreasonable for UGL to pay 5% of the acquisition price to reach a non-competition agreement with Mr LEUNG. As regards the additional undertaking made in the agreement, according to UGL's press release, UGL has not asked Mr LEUNG to provide any assistance after the acquisition, and both the Chief Executive and the Chief Secretary have also made it clear in their replies to the Legislative Council questions that the Chief Executive had not provided any services. Even though the aforesaid condition is included in UGL's agreement, in reality, UGL has never asked Mr LEUNG to provide any services and Mr LEUNG has not provided any services either. Under the principle of "substance over form", the said UGL agreement is in effect an agreement signed to prevent Mr LEUNG from joining any rivalry activities after UGL has acquired DTZ. This is by no means any agreement guaranteeing "reaping without sowing" as referred to by other Members earlier on. Indeed, Mr LEUNG has to make a non-competition undertaking to receive the relevant sum of money.

Judging from the points raised just now, the £4 million that Mr LEUNG has received is not an income generated from any general employment, and it is not an income earned by providing services or operating businesses. It may actually be counted as a restrictive capital income for the prevention of competition. As such, he may not have to pay any income tax or profits tax. Furthermore, as UGL had signed the agreement with Mr LEUNG before he stood as a candidate in the Chief Executive election, Mr LEUNG's capital income and his capacity as the Chief Executive have no real clash of interest at all. And this certainly has nothing to do with acceptance of bribes.

Some Members, including Mr SIN Chung-kai, have queried the tax obligation involved in this sum of £4 million. Actually, the Commissioner of Inland Revenue has already made it clear that the Inland Revenue Department will follow up the case, as this issue falls within the portfolio of the Department. As such, the Legislative Council should not and need not go beyond its own duties at this stage. Deputy President, I know that Members still have many questions, but there are actually many channels through which they can raise their questions, and the Chief Executive's question and answer session is one example.

However, so far we still cannot have the question and answer session because we cannot provide an interference-free passageway for the Chief Executive. Hence, I hope that Members who wish to raise their questions will do so by way of other platforms, rather than proposing to invoke the P&P Ordinance in the absence of any evidence to turn the Council (*The buzzer sounded*) ... into a court of politics.

Deputy President, I so submit.

MR ALBERT HO (in Cantonese): Deputy President, just now Ms Starry LEE said we should not bring up an allegation without evidence. Now we need to examine what facts constitute the so called evidence. She mentioned earlier that under the Basic Law, there is a provision for the impeachment of the Chief Executive. It is true that such an arrangement is in place under the basic Law. The impeachment motion has to be initiated jointly by one fourth of all the Members of the Legislative Council, and after the motion is passed, the Chief Justice will conduct an investigation. However, first of all, it requires one fourth of all the Members of the Legislative Council to initiate the motion, then it has to be passed by the Legislative Council. Hence the fundamental facts are required in the first place.

The problem before us is that the incident has already drawn concerns not only from Hong Kong but also many other places in the world. This business dealing, which involves the integrity of the Chief Executive, has caused a lot of questions, allegations and speculations. Perhaps we have not had a full grasp of some of the facts yet. Nevertheless, we have already pointed out so many questions, allegations, many *prima facie* and indisputable facts or evidence. It is already adequate for us to carry out an investigation in view of these *prima facie* facts and evidence. That is it.

Everybody knows that it depends whether *prima facie* evidence is sufficient to initiate or start any investigation. I wish to tell Members that in this case, if one says there is no sufficient *prima facie* evidence, how can we explain the whole thing to the society at large that the Legislative Council has done its best under its purview to ensure that our Chief Executive is at least a person of integrity who is dedicated to the duties and capable of performing them?

Deputy President, we have talked a lot about the acquisition of DTZ by UGL and many of them are indisputable facts. I will just tell the facts and examine why people consider these facts insufficient for us to query the Chief Executive's credibility and integrity. Why shouldn't we be allowed to ask whether certain civil law requirements, even if they are not criminal law requirements, have been breached. For instance, is there any breach of fiduciary duties, has he breached the business ethics, has he defrauded minority shareholders, and thereupon engaged himself in some terribly unethical business practices? Why are these things important? If he has breached the fundamental fiduciary requirements which we have mentioned, many people will ask, "Can the Chief Executive, who is in a high position of power, maintain our confidence in him? Has he possessed at least an impartial and honest personality for him to perform such important duties?"

Deputy President, many people say that it was not a secret deal. I do not know what this so-called undisclosed but not secret deal is. Everyone knows that if this agreement has not been disclosed, nobody would know it, and he would not take the initiative to make it public. Nor would the stakeholder disclose the matter. One can see in the entire acquisition that even the administrator has not mentioned that in the report.

Everyone knows that the deal involves the transfer of substantial benefits. Many people may think that not much money was involved and LEUNG Chun-ying deserved the reward. However, we are talking about 5% of the total purchase price, and in this company, the most affected are those unsecured creditors, not to mention the shareholders. I think LEUNG Chun-ying has quite a number of shares of the company. What was the worst thing? Sorry, the most affected party was not RBS, as it still had some collaterals. The most affected party was not Ernst & Young, as it received the money and acted as the administrator. The most affected parties were those unsecured creditors who had nothing at all.

In the transaction, LEUNG Chun-ying received about 5% of the purchase price from a bidder. We can see from LEUNG Chun-ying's interview that he pointed out the fact that the 5% UGL acknowledged to pay him was reflected in the purchase price. What does it mean? It means that the interest of unsecured creditors was undermined. Who was to protect them? Was the administrator aware of the deal, the entire story and the terms of the agreement, before giving its consent on behalf of the creditors? Was that the case? Please do not just

say that I know the intention; that is not enough. It should be an informed consent as we always say. Was that an informed consent? From the existing information, we cannot see any at all. Ernst & Young claimed in the initiate response that they were not aware of the deal. However, someone said later that they were aware of some of the details. With regards to a matter of utmost importance like this, I did not see any document showing that the administrator was aware of the story as well as the details of this agreement, and I did not see the representative of unsecured shareholders made the consent, nor this important document of consent was filed. No such thing happened. If someone says such a document is in place, I would be interested to know why such a renowned accounting firm, Ernst & Young, did that. What was the reason?

Someone said that it was a golden handshake. If Ernst & Young was aware of the matter, the proper practice was to use part of the purchase price as the payment. Ernst & Young should be aware of the agreement that the buyer was willing to acquire the business under such condition, thereby giving the consent in the interest of all shareholders. That should be the proper approach. Actually, the money should be paid to DTZ, and then DTZ would give it to LEUNG Chun-ying, as it should know that it should pay LEUNG Chun-ying something if it wants to have a successful transaction, otherwise LEUNG Chun-ying would jeopardize the whole transaction. In so doing, it would be a totally legal golden handshake in line with common business practice. That is to say, a golden handshake deal should not be concluded privately.

Up to now, I really cannot see that the practice adopted was normal or in line with business ethics. Of course, someone may argue that perhaps I do not have a clear picture of it, but that does not matter. These are exactly the area that we should look into. If a person in a high position of power act this way, how can we have confidence in him? For the time being, let us set aside whether the Prevention of Bribery Ordinance or the requirements of listed companies in Australia or the United Kingdom have been violated. Even so, the practice and approach will make Hong Kong people wonder how we can have the least confidence in him. This is the most fundamental point.

Deputy President, there is another point about the agreement. Our efforts were just in vain after we did so much talking. Let me return to the text now. I presume everyone here should be literate. The relevant text covers not only non-compete arrangement. Today, the Chief Secretary for Administration has mentioned several times that it mainly involves the non-compete arrangement,

that is, the provisions are to guarantee that no competition would take place. In fact, it is clearly more than that. Just now Members have mentioned that many times. As to some common resignation arrangements, such as not to contact the clients of other parties or not to poach their staff, let us not argue about these for the time being. The most important thing is that according to the arrangement, he would keep on providing service. Another extremely unethical thing, in my opinion, is that he should not oppose to the acquisition. He had to stand by the acquisition and should make no criticism. After receiving the payment from someone, one should render one's support blindly and makes no criticism, just like the NPC or CPPCC representatives who have to blindly support everything and cannot make any criticism, otherwise they would lose their posts. The mentality is the same. As the agreement required him to give full support, he should not say anything even if he saw anything wrong. That is written in the agreement. If he does anything otherwise, it is tantamount to a breach of the agreement. He has to stand by the agreement and make no criticism. The money will later go into his bank account. Had he not let that company down? Could it be said that it was a golden handshake? Would it be beneficial to the company? This is why the deal was unethical.

I wish to listen to LEUNG Chun-ying's explanation. I would be very much interested if he would come to the Legislative Council. For that reason, I do not agree with what Mr Ronny TONG has said. I consider most people who have studied laws are a little bit dumb. At least we should ask him questions with our layman's wisdom and see how he explains. With regards to accepting other people's money and standing by the acquisition, while the money was part of the purchase price and a Tianjin company was willing to pay 10% more later on, perhaps he could give the explanation subsequently. Nevertheless, as far as the current moment is concerned, that is, given the suspicious circumstances, we have every reason to cast doubts on him.

Moreover, it is about the service. He said he didn't provide much service. Of course, a lot of colleagues have pointed out that he was not reaping without sowing. However, what has he done? What service has he provided? The Secretary explained that on his behalf, and that is, he has not provided any service practically. I do not know whether he has provided the service or not. Perhaps we need to conduct further investigation later on. Nevertheless, one thing is certain. If there is an agreement, there are liabilities. As long as the agreement is valid and the \$50 million has not been fully paid up, we have reason to believe that the liabilities to pay up and the liabilities to perform the agreement are

linked. That is, it is a performance-linked payment. If you are not performing a task then I will not pay; or if something is not properly done, I will not pay, and I can even debit you. We are really disturbed by all of these.

Secretary, you may explain that to me in your subsequent reply. It is clearly stated in the declaration requirements that he has to declare if there is any paid job, that is, a declaration should be made if he has any remunerated post or job. Remuneration means salary or any payment, and it is also known as return or rewards. First of all, how can it be anything other than remuneration? Second, as to anything the agreement requires one to do, such as acting as a referee or adviser, how can there be no work? Whether he would do it or not is another thing, but he was liable to do it. Therefore, Secretary, why has he not declared? Perhaps you will argue that it doesn't matter, anything written down is tantamount to not being written down. Deputy President, it should not be the case. Instead of deleting that sentence, he even added one more line to it. That is, no conflict of interest should be involved. In other words, he has to do something. Otherwise, why should this line be added? The more he tried to cover up, the better-known it would become. He was trying to gild the lily. Or he was making a clumsy denial resulting in self-exposure. Just because he had to do something, what I wish to ask now is: What had he done, or what was he preparing to do? No matter whether he was prepared to do it, or he had something to do, he was required to declare. In that case, Secretary, can you tell me why he did not make declaration? Why was it not a remunerated job? At least it can be said so according to the agreement, please do not deny it. If you insist on denying it, you are just insulting us for being illiterate or not even knowing or understanding the simplest words.

For that reason, Deputy President, as long as it involved remuneration, there would be conflict of interest in future, which might require him to submit a declaration to the Executive Council, but he did not do so. Therefore, we need to know the truth of these things, and we probably need to initiate the impeachment process. Nevertheless, to be fair, we want to know more facts before deciding the next step to take.

DR FERNANDO CHEUNG (in Cantonese): Deputy President, I speak ...

(Mr LEUNG Kwok-hung stood up)

DEPUTY PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, what is your point?

MR LEUNG KWOK-HUNG (in Cantonese): I think a quorum is not present in the Chamber now. According to Rule 17(2) of the Rules of Procedure, I would request a headcount.

DEPUTY PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

DEPUTY PRESIDENT (in Cantonese): Dr Fernando CHEUNG, please continue with your speech.

DR FERNANDO CHEUNG (in Cantonese): I speak in support of Ms Claudia MO's request to invoke the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to inquire into the case in which the Chief Executive has secretly received \$50 million from an Australian engineering company, the UGL Limited (UGL).

This secret agreement and the case of the Chief Executive secretly receiving \$50 million are basically known as facts at present. As the Chief Executive, he received this sum of money based on a secret commercial agreement during his term of office, and the time of this agreement falls into his term of office as the Chief Executive. I cannot see any reason why this Chief Executive does not need to declare this agreement and payment.

I believe anyone who has common sense will know that as a chief executive of a metropolis, the interests under his control are basically very difficult to state generally. Hence, if the public officers in general (including the Chief Executive of course) have any commercial agreement or commercial interests, they have to declare at the least. If an officer has not completely

broken off all these relations, he has to inform the public openly and transparently that he has these agreements and he has received these commercial interests. Otherwise, how can we monitor these public officers?

The reasoning is just so simple. However, our Chief Executive is still hiding inside a cave to date, unwilling to come out and give an account. He also categorically denied the need to declare. Besides, he has even enlisted the support of all royalists, the Chief Secretary and our entire Government. They have to stake their credibility in order to defend such a Chief Executive. The reasoning is extremely simple. Is it not a serious mistake if a public officer bearing commercial interests and a commercial agreement says that it is not necessary to declare them?

He as the Chief Executive, not to mention other aspects, is in control of various government-owned enterprises, including the MTR Corporation Limited (MTRC). Seventy-seven per cent of the MTRC shares belong to the Government of the Hong Kong Special Administrative Region (SAR). The Chairman of the MTRC Board of Directors is appointed by the Government. Who is in control of our Government? He is Mr LEUNG Chun-ying. Dr Raymond Ch'ien, Chairman of the MTRC Board of Directors, was re-appointed by the SAR Government on 29 October 2012 as the Chairman of the Board of Directors. He was also a director of UGL, the Australian engineering company, at that time.

This UGL has been in commercial co-operation with the MTRC, and there is a commercial agreement. It was reported in *New York Times* on 10 October 2014 that UGL has a long-term agreement with the MTRC. That agreement involves more than \$300 million and this is a kind of commercial interests. Apart from that, UGL and the MTRC have a lot of co-operation plans in Australia, including the railing system in Melbourne as well as some engineering projects in Sydney, such as building tunnels, railways and setting up signal systems.

UGL is linked to the commercial interests of the MTRC. The major shareholder of the MTRC is the SAR Government, while the Chief Executive of the SAR Government is Mr LEUNG Chun-ying. He has a secret agreement with UGL and has received payment from it. The amount of money involved is not small, as much as \$50 million. After receiving this amount of money, has he

been turning the MTRC in favour of UGL and is there any conflict of interests? For example, has he failed to perform his duties fairly and impartially to ensure that the interests of Hong Kong people will not be harmed?

Moreover, as the Chairman of the MTRC Board of Directors, Dr Raymond Ch'ien was also a director of UGL at that time. How could he be re-appointed as the Chairman of the MTRC Board of Directors? Under the general business conditions, people will find this situation very awkward, not to mention that the major shareholder of the MTRC is the Hong Kong SAR Government.

Therefore, these incidents have ostensibly involved very serious clashes of interests, and have run against the moral standard and requirement of transparency warranted to be observed by public officers in general. However, while our Chief Executive is still hiding today, these Members are still defending for him. What I said just now is only one of his many stories.

Mr LEUNG Chun-ying was a partner and a director of DTZ. When this company was facing a problem of insolvency and was about to sell the company, a buyer gave a sum of money to Mr LEUNG Chun-ying and asked him to co-operate. The buyer made it clear that after giving him the money, this transaction had to be completed smoothly. This is really weird. A buyer gave a sum of money to a partner of that company so that transaction could be completed smoothly. After that transaction was completed, it was found that another buyer offered a much higher bid. However, the transaction was already completed, the contract was already carried out and the company was already sold. Were there any intricacies in the matter? Why was it like that?

(THE PRESIDENT resumed the Chair)

Many leading figures in the commercial field are present here. I would like to ask them for advice. They always say that these are general commercial agreements. I then have to ask them for advice. In one example, someone had a joint venture with his friend in operating a store. He later found that the business was not promising and would be facing insolvency very soon. He wanted to sell the business. A buyer asked whether he could purchase the store for one million dollars. The store was then sold for one million dollars. However, since his business partner had already received \$50,000 from the buyer,

the buyer would only pay \$950,000. That person later also found that another buyer was willing to pay \$1.1 million for the store. Would that person blame himself for being so stupid? He had only received \$950,000 but another buyer was willing to pay \$1.1 million for the store. However, that partner had already promised the former buyer and had received \$50,000 himself. Is there any problem with this? Is that a kind of general business operation?

To our surprise, that is what they refer to as business operation. It is full of deceit and dishonesty. They simply care about their own interests, without caring others. As a director of DTZ, did Mr LEUNG Chun-ying have the responsibility to safeguard all the interests of DTZ? Did he have the responsibility to safeguard the interests of creditors? Furthermore, the receipt of \$50,000 — I refer to my example just quoted — was completely unknown to others. No one knew it beforehand. People only know it now when it is disclosed.

As a matter of fact, different news coverage has clearly indicated that Ernst & Young, the accounting firm responsible for carrying out the acquisition, and Mr Tim MELVILLE-ROSS, ex-Chairman of DTZ, did not notice such an agreement between Mr LEUNG Chun-ying and UGL. It was totally unknown to anyone. It was a secret agreement. The creditors of DTZ were actually betrayed and being cheated. If you do business with this partner, will you scold him for biting the hand that feeds him? Will you like a person who betrays you? In order to pocket more money, he will sell the company at a very low price. Are you willing to find such a person as a business partner? However, the person who holds that moral standard is now our Chief Executive. After doing this shady business, he chose not to reveal it. After it was being disclosed, he said it was not necessary to declare interests and no rules had been broken. That is unbelievable. Nonetheless, the pro-establishment camp still has to stand by him. Do they have to defend a Chief Executive who engaged in secret business? In other words, he can, at his own will, have agreements with other commercial companies, continue to receive payments without revealing any information. Is that possible?

When we ask further, we learn that — I am not sure whether this is a rumour — through BVI (an offshore company set up in British Virgin Islands, the information of which do not need to be revealed) Mr LEUNG Chun-ying was in control of DTZ Japan. One of the major clients of this company is the Hong Kong Resort International Limited (HKR), which is a major shareholder of the

Asia Television Limited (ATV). Would the commercial interests of Mr LEUNG Chun-ying in DTZ Japan have any influence in his refusal to issue a licence to the Hong Kong Television Network Limited (HKTVN)? As we all know, once HKTV is issued a licence, ATV will be affected most. If HKTV is given a licence, ATV will be doomed. One of the major shareholders of ATV is HKR, and HKR has commercial relations with DTZ Japan. Mr LEUNG Chun-ying — it may just be a hearsay and I am not sure whether it is true or not, but it just sounds like to be real and I doubt if someone will acknowledge this — holds the shares of DTZ Japan through BVI, of which he is a major shareholder.

Let us think about it. These matters are intertwined and highly complicated. For the sake of personal interests, he pockets everything and nothing needs to be declared. These Members should also have thought clearly. He is going to fall down. Do you still have to hold him high, and blindly say that there is nothing wrong with him? We can see that after Mr James TIEN asked him to step down, Mr TIEN was immediately dismissed from his political position in China. Hence, Members have to safeguard their own status and privileges. Just keep going. Perhaps they would like to be chosen into the Government House or whatever places, as our Chief Executive only selected five representatives from the pro-establishment camp and gave an account to them. Ms Starry LEE said that since the Legislative Council was unable to provide a passage free from interference, the Chief Executive could not come to the Legislative Council and gave an account to the public on these matters concerning the secret agreement and secret receipt of payment. Is there anything wrong? Such a Chief Executive ... Just forget it. These Members still have to defend him. Do they feel that there is nothing wrong with him? If there is something wrong with him in the future, what should they do? If he really has to step down, what should they do? How do they face themselves and the public? How can this be endured? Could they ask their conscience? I know nothing about business. However, merely by looking through the information, I have already found that it was not possible. How could a Chief Executive be spared of making a declaration after signing a commercial agreement and have received commercial interests? We now ask to inquire in accordance with the P&P Ordinance, but the pro-establishment camp say that we cannot do so. These royalists are just going too far. What they should do is to keep their conscience.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(Mr LEUNG Kwok-hung stood up)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, what is your point?

MR LEUNG KWOK-HUNG (in Cantonese): I think a quorum is not present at the Chamber right now. President, in accordance with Rule 17(2) of the Rules of Procedure, I would request a headcount.

PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR ALBERT CHAN (in Cantonese): President, I think we may adopt two different attitudes to discuss whether LEUNG Chun-ying's secret agreement with UGL involves any irregularities, contravention of the law and integrity problems. The first is similar to the attitude displayed by Ms Starry LEE when she questioned the Police earlier today. She said that she believed there was foreign intervention in Hong Kong. Her argument was that those convinced of such intervention would see the evidence, while those in disbelief would dismiss the whole thing as mere fabrication. This is one of the attitudes. This attitude truly exists, and is quite a popular one. The other attitude is rationalism. Let me stress that we should adopt the attitude of rationalism to deal with LEUNG Chun-ying's problems, rather than Ms Starry LEE's religious attitude.

President, her religious attitude reminds me of religious philosophy. In one of his books, Paul TILLICH, a famous American theologian, introduced a very significant concept called "ultimate concern". President, let me quote a description of this concept in the book: "The perception of its reality is felt as so overwhelming and valuable that all else seems insignificant, and for this reason

requires total surrender". In other words, you will perceive the reality of your ultimate concern as so overpowering and valuable that nothing else seems significant to you anymore. As a result, you think your ultimate concern requires your total dedication. This is religious faith.

Actually, KIERKEGAARD, a famous Danish existentialist religious philosopher, also divides human existence into three different stages, namely the aesthetic stage, the ethical stage and the religious stage. When describing the religious stage, he expounds that one needs to make a leap of faith in order to move to this stage of human existence. One needs to rely on faith to overcome doubts and things that are usually considered impossible by the rational mind. Only faith can enable one to regain the hope that everything is possible. Therefore, it is absolutely proper to describe Ms Starry LEE's mindset as religious faith. This also explains why so many powerful and influential people in Hong Kong and so many people in this Chamber still insist on having faith in "Hong Kong communists ruling Hong Kong". This is all about blind religious faith, similar to the faith that led many to worship MAO Zedong during the Cultural Revolution. In the end, tens of millions of people died, but people still had blind faith in MAO Zedong's leadership. This was a kind of religious superstition in politics.

The Communist Party has been ruling China for 60 years, and totally 78 million people have since died. But many people in this Chamber, especially those hired guns of the Hong Kong communists who come from the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) and the Hong Kong Federation of Trade Unions, still choose to follow communist rule. Personal interest aside, religious superstition must also be a reason. Ms Starry LEE therefore said that people in disbelief would not notice the intervention of any foreign forces. President, you are very wise, and you once remarked that LEUNG Chun-ying was able to notice something that had eluded your attention. Well, this is just because LEUNG Chun-ying has blind and religious faith in communist rule, but the President is still a man with human feelings. President, you therefore remarked that you could not notice the presence of any foreign forces in Hong Kong. But Ms Starry LEE can detect such forces, right? As the founding Chairman of the DAB, you cannot detect any foreign forces in Hong Kong. But LEUNG Chun-ying can notice the presence of such forces, so can Ms Starry LEE and those hired guns of the Hong Kong communists coming from the DAB. The only reason must be their religious superstition. Once the Chinese Communist God says something, its disciples will all follow blindly.

Hence, if we look at the issue of whether LEUNG Chun-ying is guilty of corruption from the perspective of religious superstition, we will at once see the same logic, the logic that those in disbelief will not see anything. All is because "Grandpa" has asked us not to look at it, "Grandpa" has asked us to close our eyes, and "Grandpa" has asked us to have faith in the rule of the Hong Kong communists. LEUNG Chun-ying is a Chief Executive hand-picked by the communists, so people who bark at him or criticize him will be in trouble, and even members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) will be disqualified for that. The President should therefore ask Dr LAM Tai-fai, but probably, as a member of the CPPCC National Committee, he dare not give any response for fear of disqualification. Actually, Dr LAM Tai-fai really deserves disqualification because he has also queried the political wisdom of LEUNG Chun-ying. In other words, he has queried the ruling ability of the Communist God, its very existence and its might. Since he has doubts about the might of God, he must not be accepted as a son of God and hence a deputy to the National People's Congress (NPC) and a member of the CPPCC National Committee. The logic here is very straightforward. The hired guns of the Hong Kong communists who are NPC deputies and members of the CPPCC National Committee are all required to adopt the mindset of religious superstition. For this reason, people looking at LEUNG Chun-ying's corruption case with the mindset of religious superstition are definitely unable to notice any problems. They will go on noticing nothing. These powerful and influential Hong Kong communists will continue to see nothing. Mr Abraham SHEK is one of these people. In comparison, he is a "royalist" with a bit more wisdom, but under the command of God ... Some people worship two Gods, the God of religious faith and the God of politics. In this Chamber, the God of politics reigns. But outside this very door, the God of religious faith is in control. As a result, those people must very often speak and vote against their consciences. This is the present situation.

President, let us return to the ethical stage of human existence discussed by KIERKEGAARD. The ethical stage he talks about is very meaningful. He thinks that "a person in the ethical stage is practical and full of a sense of commitment and duty towards the world" — the prerequisite is a sense of commitment and duty, rather than any absolute faith in communist rule based solely on religious superstition — "he clearly understands the moral standards of the world" — can those hired guns of the Hong Kong communists understand all this? Can they understand what the moral standards of the world are? — "as well as its ethics". Such should be the characteristics of a person in the ethical

stage. Let me repeat these characteristics in one single piece: a sense of commitment and responsibility and also clear knowledge of the moral standards as well as ethics of the world, as opposed to a blind faith in any almighty god that totally disregards the moral standards, ethics, reality and truth of the world.

President, speaking of LEUNG Chun-ying again, I personally think that he will be the first Hong Kong person to become a fugitive wanted by the international community, and he will probably be the first and the last of his kind. This will become yet another scandal. I therefore hope that the Beijing authorities can pay attention to this probable reality in the future because the situation then will be very embarrassing. JIANG Zemin, a former State President, is now a fugitive wanted by Spain. If he goes to Spain or other countries in the European Union, he may be arrested any time, right? The existing leaders of the Central Authorities are not yet wanted fugitives, but Falun Gong has already brought a case against JIANG Zemin before a Spanish court and turned him into a wanted fugitive. Apart from alleged violations of Hong Kong laws, LEUNG Chun-ying is also involved in alleged violations of the laws of Australia and the United Kingdom. As shown by certain company practices, he may be involved in some degree of omission in tax return. Besides, he is also suspected of failing to disclose certain company information, and this may have affected the regulation and monitoring of the company in question by the local governments of the countries concerned. His withholding of the information concerned may constitute ... unfair treatment to certain stocks investors under listing laws and information disclosure rules.

President, I am not going to repeat the four queries raised by Fairfax Media of Australia concerning LEUNG Chun-ying's case. As a matter of fact, some Members already talked about these queries during their discussions in this Chamber. All these queries ... The query concerning the secret fee, in particular, might have constituted one of the factors that compromised the interests of many listed companies and shareholders. The case involves Australian laws and I am no expert in this, so I should not pretend to be one here. But the point is that the concern of the Australian media will certainly cause the Australian Government to carry out investigation and follow up the case. Another thing is of course that the case may also involve many Hong Kong laws. LEUNG Chun-ying may have contravened section 9(1) of the Prevention of Bribery Ordinance for the reason that as a director, he might have accepted an advantage and assisted UGL in the purchase without the knowledge of the DTZ

Board. Under section 9(3) of the Prevention of Bribery Ordinance, if it is proved that due to the advantage concerned, LEUNG did provide incorrect information to the DTZ Board administrators with the intent of misleading the persons concerned into preparing inaccurate accounts, he shall be guilty of an offence. He may also have committed the offence of misconduct in public office. If it is proved that after accepting the advantage, he did not make any declaration according to the requirements of the Government, thus giving rise to a conflict of interest, he shall be guilty of the offence. As instructed by God, some "royalist" Members simply turn a blind eye to all this, arguing that since the relevant agreement was signed before LEUNG Chun-ying's assumption of office as Chief Executive, these points are not relevant. But there are two facts here. He did receive payment of money afterwards. Second, due to the requirements of the agreement, he might have done some acts, or forbore to do certain acts that he should do in his capacity as Chief Executive. Moreover, the requirements of the agreement might have led him to discharge his duties as Chief Executive in ways that enabled certain companies to reap advantages. Or, he might have exerted influence as Chief Executive to enable certain companies to obtain advantages in other areas.

In Australia, there is the Criminal Code, and clause 70.2 of this code regulates the bribery problems between Australian companies and overseas or other places. This clause provides that any Australian companies which accept any advantages from public officers in other places may commit an offence. Since the company which signed the agreement with LEUNG Chun-ying is an Australian company, and this company and the Chief Executive of Hong Kong ... Although the agreement was signed before he assumed office, it was still valid for some time after his assumption of office as Chief Executive. In other words, he provided advantages to this company sometime during his term as Chief Executive. To a very large extent, this agreement is in contravention of the criminal laws in Australia. I have not even mentioned the tax evasion issue, though I am sure that both Australia and the United Kingdom may think that he was involved in tax evasion. We all know that a famous media columnist or academic does not dare to come back to Hong Kong and has been staying in the Mainland due to some tax problems with the United States Government. If the United Kingdom and Australia both put the Chief Executive on their lists of wanted fugitives for reasons of tax problems and violations of criminal laws, companies laws and listing laws, Hong Kong will face yet another scandal.

Actually, scandals about successive Chief Executives of Hong Kong have never stopped. This is true of all the three Chief Executives. The first Chief Executive, "TUNG the Old Fool" stepped down on the excuse of his "sore legs". When he was in office, Hong Kong experienced the outbreak of SARS, a financial turmoil and the "85 000 units" problem. All this made the life of people very miserable. As for the second Chief Executive, Donald TSANG, the last two years of his term were marked by numerous instances of corruption. His top-level assistants, including the Commissioner of the Independent Commission Against Corruption and the Chief Secretary for Administration, were involved in acts of corruption. Hong Kong therefore moved from "an age of foolishness" under "TUNG the Old Fool" to "an age of corruption". Now, it is the age of treachery, corruption, rotten administration and incompetence. In this present age, the "foolishness" of "TUNG the Old Fool" is also ... "TUNG the Old Fool" was certainly a bit stupid, but he was still kind-hearted. In contrast, the incumbent Chief Executive is stupid, incompetent, sinister at heart, greedy and inane. Nothing can be worse than all this indeed. Many people in this Chamber are also greedy but they know how to hide their avarice smartly. In contrast, our Chief Executive is ruthlessly and foolishly greedy. Such governance ... Also, his subordinates are all trying to emulate him in corruption, ruthlessness and stupidity. How can we possibly imagine that even a Bureau Director can be so "infantile" as to operate "subdivided units"? I suppose even District Council (DC) members will not do so. But by the way, a certain Tsuen Wan DC member nearly got front-page coverage from the *Ming Pao* due to his operation of "subdivided units".

Therefore, the calibre of this Chief Executive is actually similar to that of those DC members belonging to the DAB. Well, that Tsuen Wan DC member who operated "subdivided units" actually belongs to the DAB. It is indeed a shame on Hong Kong that the acts of the Chief Executive are similar to the acts of certain "infantile" politicians. His acts have even become an international scandal and a focus of media concern in the United Kingdom and Australia. Sadly, President, all those "God worshippers" led by the Hong Kong communist regime will fail to see these hard facts all the same. Ms Starry LEE and her like still cannot see these facts because she says that if you believe, you will notice. She says that if you believe, you will notice, and if you do not believe, you will see nothing. They will therefore fail to see these facts all the same. As long as such blind religious faith in political management is not shattered, Hong Kong

will surely continue to sink and languish in the abyss under the rule of the Hong Kong communist regime (*The buzzer sounded*) ... Hong Kong people must then continue to live a hard and miserable life.

(Mr CHAN Chi-chuen stood up)

PRESIDENT (in Cantonese): Mr CHAN Chi-chuen, what is your point?

MR CHAN CHI-CHUEN (in Cantonese): Point of order. I request a headcount under Rule 17(2) of the Rules of Procedure.

PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): Mr Charles Peter MOK, please speak.

MR CHARLES PETER MOK (in Cantonese): President, many Members want to invoke the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) for carrying out investigation against LEUNG Chun-ying, the maladministration of this term of government and its lies, yet a number of attempt to do this ended up unsuccessful. Looking back, last time when a motion was proposed to invoke the P&P Ordinance for carrying out an investigation against LEUNG Chun-ying, it seemed that he was not yet the Chief Executive. Back then, given that the incident of the West Kowloon Reclamation Concept Plan Competition was brought to light, the Legislative Council conducted an investigation on the incident by invoking the P&P Ordinance. The fact is, anyone who has taken the office of the Chief Executive is immune from any investigation conducted under the P&P Ordinance. This is also a good point as the pro-establishment camp will make their best endeavours to defend the Chief

Executive. Regretfully, last time they did not realize that LEUNG Chun-ying was the chosen one, I believe you guys also felt embarrassed.

I absolutely support Ms Claudia MO's motion, despite that it will be voted down for sure. Once again, the people of Hong Kong will never know the truth; and once again, the Legislative Council is castrated.

This time the Chief Secretary Carrie LAM came forth to explain on behalf of the Chief Executive LEUNG — I do not know how many times she had done so before — I really do not think this is fair to her. For instance, last week she attended the meeting of the Legislative Council to provide explanation and answer questions. Dr CHIANG Lai-wan asked whether there were signs showing that the properties of the Chief Executive came from illegal sources. Chief Secretary Carrie LAM smiled and replied that it was impossible for her to know the details of the personal properties owned by Mr LEUNG. She doubted that even Mr LEUNG's wife might not necessarily know all the details. She replied in a humorous and light-hearted manner, but it was miserable indeed. She is an outsider and not the one who received \$50 million. If even Mrs LEUNG knows nothing, it would be impossible for the Chief Secretary to know more than she does. Unfortunately, Chief Secretary Carrie LAM has no other option but to attend the Council meeting of the Legislative Council today and defend for LEUNG Chun-ying.

President, though I am not an accountant, I used to run a small business. I would like to cite the comments given by Mr Kenneth LEUNG, the representative of the accounting sector of The Professional Commons. Mr LEUNG said he did not mean to say that all of the £4 million from the deal between Mr LEUNG Chun-ying and UGL should be stated as taxable items, but in most cases, the payments in restraint of trade are not subject to income tax. According to the contract, in addition to the provision on the restraint of trade, Mr LEUNG should provide consultation service to UGL from time to time and ensure the successful acquisition of DTZ by UGL. No matter whether he did render any consultation service, there are indeed other terms and conditions in the contract. Before commenting on whether the reward of £4 million was excessive, Members can make reference to the income that Mr LEUNG earned from DTZ over the last three years, which was £600,000, £1 million and £1.5 million respectively. Mr Kenneth LEUNG said that based on his experience in handling acquisition and merger cases, the payments in restraint of trade were usually 50% to 80% of

the annual income of the senior executive concerned. The £4 million that Mr LEUNG received was even more than the total income he earned from DTZ over the last three years. In exchange, he was only required to make a non-competition undertaking, according to which he would not compete with UGL or DTZ within two years. Try to think about the value of this contract and Members would have a clue.

Of course, UGL had the discretion to determine how much it wanted to pay Mr LEUNG, and it could label these payments as non-taxable. However, since such payments involved three types of activities, the focus should not be limited to income tax. It should cover profits tax as well. For that reason, Mr Kenneth LEUNG has written to Mr WONG Kuen-fai, the Commissioner of the Inland Revenue Department, asking the Department to advise on how to objectively apportion the £4 million into non-taxable and taxable items.

Moreover, Mr LEUNG mentioned that golden handshake was indeed a very common practice. But it was rather unusual in the incident of UGL. In most cases, the payments in restraint of trade are stated in the main merger and acquisition contract for the board of directors of the buyer side and seller side to give their endorsement respectively. However, the £4 million contract between Mr LEUNG and UGL was only signed by the Chief Executive Officer of UGL and Mr LEUNG himself, and so far no direct evidence showing that the deal had been endorsed by the board of directors of both parties can be found in the contract. In the event that DTZ has entered into administration process, this payment will require approval from the administrator, which is, as far as this deal is concerned, Ernst & Young, the accounting firm, and RBS (the Royal Bank of Scotland), the major debtor. This is the end of my quote.

Apart from the \$50 million received by LEUNG Chun-ying, Members should bear in mind that — in fact Mr LEUNG has repeatedly reminded Members about that — the agreement between LEUNG Chun-ying and UGL also refers to the arrangement regarding the disposal of the sale option of DTZ (Japan) that he is still holding. This part remains in effect and it is optional. LEUNG Chun-ying can make his choice, or reserve the right to make his choice. As he has a choice and has the right to decide how to handle the options, by no means can one say that under the contract, the Chief Executive can do nothing and therefore there is no problem. In fact, he is working on something and he can work on something. Moreover, now there is still some interests, and these

interests should be declared. At least there is possible conflict of interests. How can one say that given the trust in him, we have no need to address the issue?

Moreover, after the deal with DTZ (Japan), Mr LEUNG's reward hinges on the company's current and future business results, which can generate considerable profits for him. Hence, this is a very important point. However, Mr LEUNG has not given an explanation openly so far.

President, some arguments raised by certain Members just now remind me of another point of doubt. As just now a Member told us in this Council, in addition to UGL, an enterprise from Tianjian also indicated its intent to acquire DTZ. However, as the Member explained, although the Mainland company gave a more generous offer, there were additional terms and conditions. For instance, DTZ should move its headquarters to the Tianjian Development Zone, and the deal must be approved by Mainland authorities. The acceptance of the offer from this Mainland company therefore means that the deal would take longer time to complete. For that reason, it was blown at the end.

I do not know why, perhaps from my business experience and intuition, the first question came to my mind was: Why did they want to complete the deal expeditiously? Who would like to have the deal completed quickly? Who would be benefited most by this? Seemingly — I must emphasize the word "seemingly" — Mr LEUNG Chun-ying, who was preparing to run in the Chief Executive election at that time, and UGL, the company that was very eager to acquire DTZ and would certainly like the deal to complete quickly and at a lower price, would be benefited most. Members can easily come to think that these two parties — Mr LEUNG and UGL, had the strongest incentive to have the deal completed expeditiously. Moreover, Members would doubt why the deal involved £4 million, which is a big sum of money. In fact, this "invisible golden handshake" has become an "unusual golden handshake" which even the board of directors of both parties and the debtor know nothing about.

This incident is indeed very unusual, and no wonder LEUNG Chun-ying wanted to play it down so far. The commercial operation in the incident is probably beyond the comprehension of the public at large. \$50 million seems to be a big sum of money. The public only knows that he has received the money, but has no idea whether this payment to him is justifiable or not. Indeed,

ordinary people are unable to comment on the seriousness of this incident. Consequently, LEUNG Chun-ying and the pro-establishment camp seem to have treated the incident as a normal one.

Speaking of the pro-establishment camp's treatment of this incident, given that the Party is now determined to give strong backing to LEUNG Chun-ying, the pro-establishment Members really need to make the most of their creativity in order to come up with more ideas to defend him. I recall that during a meeting of the House Committee, a pro-establish Member made a point: Any duties not performed in an office should not be considered as part-time work. I could not help thinking that it was not bad to work for his bank. Yet one must not believe this; the staff members of that bank must not believe this. One must bear in mind that ordinary wage earners are unlike the Chief Executive, and no one will defend them. Earlier on, a Member described the acquisition of DTZ by UGL as a great transaction. I could not help bursting into laughter: How great was it? This is the language of the Party. We in the business sector would describe this as a major acquisition rather than a great acquisition.

The pro-establishment camp is in fact miserable as they only have this tiny bit of creativity. In the past, what they needed to defend, in most cases, were the administrative blunders committed by the Government. Later on, they needed to defend the personal behaviours of the Chief Executive, for instance, the existence of illegal structures, which was a rather thorny issue. Now the Chief Executive is suspected of taking a bribe, and they still have to defend him. No matter how hard they think, they really cannot come up with a good justification. Perhaps LEUNG Chun-ying knew that the pro-establishment camp found it very difficult to fabricate a good reason to defend him, he invited some pro-establishment Members to meet with him a few days ago in order to give them some sort of briefing, but I am not sure if he wanted to give them some information in advance. Yet Mr LEUNG is still reluctant to clearly explain the incident to the public. He even made up excuses to avoid attending the Question and Answer Session of the Legislative Council. He is even more reluctant to give an explanation to the pan-democratic Members, who find the incident most doubtful. Why did he explain to the pro-establishment camp but not to us? We cannot help doubting if they have rehearsed beforehand to ensure the consistency of their statements.

In fact, there is no need to rehearse for the consistency of their statements. Given that Mr LEUNG himself refused to come forth to explain the incident, there is indeed no need to rehearse for the consistency of their statements. Such a blame should not be put on them. Only that I find something even more weird: The pro-establishment camp has been defending LEUNG Chun-ying right from the beginning and they keep saying that he has no problem. But in the middle of the defending process, they suddenly want to listen to his explanation, which is indeed unnecessary as they have concluded that LEUNG Chun-ying has no problem at the outset. In terms of logic, this is questionable, but this is probably consistent with their illogical way of thinking.

Just now some pro-establishment Members criticized this as a farce, which is true indeed. Only that this farce was staged by them. How dare they accuse us for distorting the facts. They must clarify what we have distorted. We have only spelt out all the details and raised dozens of questions for him to answer. It is impossible for us to distort the problem. We have not provided any information, and in that case, how can we distort the facts? But the pro-establishment Members have turned a blind eye to this.

President, the people of Hong Kong indeed have the right to know the truth of this incident. In particular, this Chief Executive was not elected by the people of Hong Kong, who had no part to play in the election. Now he is suspected of taking a bribe, yet the public still have no right to know the truth. President, do you think the people of Hong Kong are very miserable? How can they not feel angry? How can the people outside not feel outrageous? For this reason, President, I support Ms Claudia MO's motion and support invoking the P&P Ordinance to carry out an investigation against the incident relating to LEUNG Chun-ying and UGL.

Thank you, President.

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): I now suspend the meeting until 9 am tomorrow.

Suspended accordingly at 8.00 pm.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): The meeting now resumes. Council now continues with the debate on the motion under the Legislative Council (Powers and Privileges) Ordinance.

MOTION UNDER THE LEGISLATIVE COUNCIL (POWERS AND PRIVILEGES) ORDINANCE

Continuation of debate on motion which was moved on 5 November 2014

MR CHAN CHI-CHUEN (in Cantonese): Good morning, President. This morning, the Chief Secretary Carrie LAM followed "689" to Shenzhen for the Hong Kong/Guangdong Cooperation Joint Conference. Therefore, it is the acting Chief Secretary for Administration Mr Matthew CHEUNG who is sitting on the side designated for officials. If Carrie LAM had been sitting here, she would only have played the role of a human recorder but now, she has been replaced by another human recorder who is more professional. The script was handed to the Chief Secretary Carrie LAM by the Chief Executive's Office and then passed on to Secretary Matthew CHEUNG — the acting Chief Secretary — this morning. Please do not expect him to address any queries of Members in his reply later. From this, we can see that the SAR Government is totally unfazed by this motion moved by Ms Claudia MO under the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance). They are all out of town because they know very well the motion will be vetoed.

President, it would be better if we can wait till Carrie LAM and "689" come back before we handle this motion, rather than discussing it today. So, I first ask for a headcount under Rule 17(2).

PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(While the summoning bell was ringing, Dr CHIANG Lai-wan stood up)

PRESIDENT (in Cantonese): Dr CHIANG Lai-wan, what is your point?

DR CHIANG LAI-WAN (in Cantonese): I would like to ask if Members can place on their desks various kinds of decorations, such as toy figures, lamps, and so on? If they cannot, or if it is stipulated that the decorations placed must be related to the question under discussion, how then is that yellow lamp which Mr CHAN Chi-chuen placed on the desk related to this question being discussed? Thank you.

PRESIDENT (in Cantonese): Mr CHAN Chi-chuen, how is that object which you are displaying related to this question?

MR CHAN CHI-CHUEN (in Cantonese): President, this is not a lamp, but a yellow umbrella representing "I want genuine universal suffrage", with eight banners bearing "I want genuine universal suffrage" attached to it. This is closely related to this issue of LEUNG Chun-ying which we have to discuss today. President, you did not interfere yesterday when we opened the umbrellas. If Dr CHIANG Lai-wan wants to know the reason, I can spend some time to explain to her when I deliver my speech afterwards. This is all I have to say in reply. President, you can make a ruling.

PRESIDENT (in Cantonese): Mr CHAN, your reply just now failed to relate the object which you have displayed to the question of this debate. Members can of course claim that all current matters pertaining to public policies, governance, livelihood and the economy are related to universal suffrage, but I consider the relationship to be too far-fetched. Objects displayed by Members should be directly related to the question of the debate. Although I did not interfere with the objects displayed by Members in the Chamber yesterday, it did not mean that their act complied with the Rules of Procedure.

MR CHAN CHI-CHUEN (in Cantonese): President, I respect your ruling. In that case, I will put it back on the desk when I come to the related topic in my speech later. You can then rule again if my speech is related to it.

(While the summoning bell was ringing, Ms Claudia MO stood up)

PRESIDENT (in Cantonese): Ms Claudia MO, what is your point?

MS CLAUDIA MO (in Cantonese): President, I would like to make use of this time to carry out a survey. I went through the notes which I took down yesterday and discovered that Mr WONG Ting-kwong mentioned the umbrella movement in his speech. Mr CHAN Kam-lam even pointed out that an Australian reporter was the first to reveal that LEUNG Chun-ying accepted \$50 million without declaring, and that the reporter appeared in Admiralty and the Umbrella Square below. They discussed these but no one said that they had digressed from the subject. Since we have the word "umbrella" mentioned, why is the umbrella decoration displayed by Mr CHAN Chi-chuen not accepted?

PRESIDENT (in Cantonese): Ms MO, whether or not the content of a Member's speech constitutes the reason for any object he or she displays hinges on the specific relationship between the two. For example, Members have mentioned resources and food in their speeches, can they display food to show that the two are related?

Ms MO, you move this motion to ask for the establishment of a select committee to inquire into the allegation of the Chief Executive receiving the benefits of an overseas corporation, so, only objects which are directly related to this question can be displayed.

MR WONG TING-KWONG (in Cantonese): Since Ms Claudia MO mentioned my name, let me take out the draft of my speech and read out to her. I have to tell her I made no mention of that stupid umbrella: "The purpose is to dovetail with the occupy action, wait for a chance to smear and deal a further blow to the governing authority of LEUNG Chun-ying." These are the words in the original draft. Did I mention whatever umbrella? Rather, you will "disperse"¹ eventually.

PRESIDENT (in Cantonese): Members should not start a debate now.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

¹ In Cantonese, the word "散" when pronounced as "傘" means to disperse.

PRESIDENT (in Cantonese): Mr CHAN Chi-chuen, please continue with your speech.

MR CHAN CHI-CHUEN (in Cantonese): President, I rise to speak in support of Ms Claudia MO's motion on establishing a select committee under the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to inquire into the allegation of the Chief Executive of the Hong Kong Special Administrative Region LEUNG Chun-ying receiving the benefits of UGL Limited (UGL), an Australian corporation.

Yesterday, Mr WONG Ting-kwong spoke right after Ms Claudia MO. He remarked that the democratic camp's invoking of the P&P Ordinance to inquire into LEUNG Chun-ying's case was aimed at smearing him. How can anyone possibly smear LEUNG Chun-ying? In the case of a wall which is black in colour, can we possibly make it still darker by giving it another layer of dark paint? The inside, the outside, the front and also the back of LEUNG Chun-ying are all black in colour. I think if we really establish a select committee now, the inquiry outcome may help to prove that he is instead white in colour. Only an inquiry can ascertain whether he is right or wrong. But the "royalists" simply ignore the question of right and wrong, arguing that an inquiry must be an act of smearing him. As far as I can remember, the "royalists" themselves also supported motions on invoking the P&P Ordinance to inquire into LEUNG Chun-ying's acts a couple of years ago. So, I presume that at that time, they must also be trying to smear LEUNG Chun-ying then. Mr WONG Ting-kwong is very narrow-minded. He will remember what happened at that time.

Last month, an Australian media organization disclosed that in the course of selling the business of DTZ, LEUNG Chun-ying signed a secret agreement with the purchaser under which he subsequently received a reward of \$50 million. It is a pity that Chief Secretary for Administration Carrie LAM is in the Mainland today; if not, I would certainly chide her in person for reasons of her "doublespeak" last week, the "doublespeak" that the agreement was not a secret agreement as such. Can the Secretary tell us what the opposite of "secret" is? It is "open". Well, then, was the agreement an open agreement? She argued that it was not a secret agreement but just a commercial arrangement not meant to be disclosed as a conventional practice in the commercial sector. Ladies and gentlemen, this is pure "doublespeak", isn't it?

If Members have been to Umbrella Square, they will remember having seen LEUNG Chun-ying's coffin resting on a bier with the words "Infamy for 10 000 years". Carrie LAM's photograph is placed below the bier. Why? This is not without any reason. Hence, Chief Secretary for Administration, please do not be angry with others. Just ask yourself why you sought to defend LEUNG Chun-ying in the very first place. Why didn't you just read out the exact wording of the script he supplied? You did not need to do anything else unless it was specifically stated in the script he supplied that whenever any reference was made to the secret agreement, you must reply that it was not a secret agreement but just a commercial arrangement not meant to be disclosed.

Under the secret agreement, UGL was to pay LEUNG Chun-ying a bonus of 1.5 million pounds on behalf of DTZ and also £4 million of adviser fees staggered over a period of two consecutive years. However, the Chief Executive never made any declaration, and it is even suspected that he attempted to evade tax payment by not disclosing to the DTZ Board his acceptance of benefits from the purchaser. Twice during his public office as the Chief Executive, LEUNG Chun-ying received payment of money from UGL. But he still claims that there were no legal and moral problems. I must say people are all discerning enough to know what is right and what is wrong.

Immediately after the media disclosure, LEUNG Chun-ying said that he would issue a lawyer's letter. This can show that this man must have done something wrong. What is more, as soon as LEUNG Chun-ying knew that this Council would deal with him these two days, he hastened to summon a number of pro-establishment Members to a meeting behind closed doors and attempted to offer an explanation to them. The meeting reportedly lasted 40 minutes. Pro-establishment Members know only too well that they and LEUNG Chun-ying must "share the glory and the blame" together — but precisely, it is all about sharing the blame but not any glory, I must say. They are not quite so willing to do so, but they do not know what to do, and they are unable to speak their own minds. However, lest what happened to Mr James TIEN may befall them and for fear that they themselves are dealt with before they can deal with LEUNG Chun-ying, they have no alternative but to side with the Government.

Nevertheless, I must advise them not to follow him too closely. It is already a foregone conclusion that they will vote against this motion on invoking the P&P Ordinance at the end of the day, but they must be careful not to go

overboard in their words of support. Some Members have remarked that all Hong Kong people have accused and suspected him wrongly, as if saying that he were a "wise and virtuous emperor" and the best Chief Executive in the history of Hong Kong. The "royalist" must also check whether the "royal" is really worth supporting. Hong Kong people are all horrified at the sight of how they have been supporting him.

LEUNG Chun-ying of course knew that he was in the wrong, and he therefore attempted to canvass voting support at the last minute. Although he thought that the pro-establishment camp would definitely support the Government, he was still worried and he thus wanted to get his last-minute assurance. LEUNG Chun-ying should have come here for a Chief Executive's Question and Answer Session after the re-opening of the Legislative Council in October, and the UGL incident was to be one major issue. However, he has been afraid of coming here so far. He has been talking about personal safety as an excuse, saying that his car cannot stop at the entrance of the Legislative Council Complex. We have been holding meetings for weeks, but no matter how unpopular certain Members are — I am not referring to you, and I may also be unpopular — they have been able to come back here for meetings all the same. Where has LEUNG Chun-ying gone? Why is he afraid of coming here? He dare not come to the Legislative Council, and even dare not convene any press briefings and face the mass media for detailed questioning at his own "lairs" — the Office of the Chief Executive and the Government House. He has only appeared once in the programme called "On the Record" produced by a pro-government television station. This shows that LEUNG Chun-ying has a guilty conscience.

While talking about "a gentlemen's agreement", a golden handshake and the like, you must be very careful because more information may be disclosed at any time, and this might turn the golden handshake into a handshake of "shit". LEUNG Chun-ying is a "recidivist liar". He simply does not know how many lies he has told. Some Members say that LEUNG Chun-ying, who launches policy initiatives once they are ready, is quite a good Chief Executive. Actually, we should say that his scandals will break out one after another once conditions are ripe. He is out of Hong Kong at this moment, and another scandal may well break out any time.

Although LEUNG Chun-ying has repeatedly said that he has never provided any services to UGL, we must still note that as also explained in all those programmes offered to public officers or civil servants by the Independent Commission Against Corruption, even the mere acceptance of money not accompanied by the doing of any acts may constitute an offence because forbearing to do an act after the receipt of money is itself a kind of service. "Protection money" and "hush money", for example, are intended to require the money recipient to refrain from doing something, or to turn a blind eye to something. This is also a kind of service.

Although LEUNG Chun-ying was not yet the Chief Executive when he signed that secret agreement, we must still note that the validity of the agreement did not come to an end until December 2013, meaning that the validity period partly overlapped his term as the Chief Executive. Article 47 of the Basic Law provides that the Chief Executive must be a person of integrity, dedicated to his or her duties, and the Chief Executive shall declare his or her assets to the Chief Justice of the Court of Final Appeal for the record.

Even Chief Secretary for Administration Carrie LAM must make a declaration when she sold her properties in the United Kingdom. In this present case, the Chief Executive, however, insists that he did not need to make any declaration on the two huge payments he received from UGL privately during his term of public office. I really do not know what reasons he can offer. The £1.5 million of bonus payment also involves suspected taxation irregularities. But LEUNG Chun-ying has insisted that there was no need for any declaration of interest.

A couple of days ago, when the Chief Executive explained his case to pro-establishment Members behind closed doors, he admitted frankly that by the time he wanted to make a declaration, UGL had already completed the procedures of making the two staggered payments to him, so it did not occur to him that he had to make any declaration. Well, even "forgetfulness" can be a reason for failing to make a declaration and tax evasion. What an eye-opener! Only the Chief Executive can use this as a reason. Principal officials must not follow suit. Secretary CHEUNG must not follow suit, either. And, the common people, in particular, must never do so, because we do not enjoy such a privilege.

There was an even more outrageous thing. Although the agreement provided that the provision of services must not put the service-provider in any conflict of interest and UGL in fact never asked him to provide the relevant service, the fact remains that UGL could have required LEUNG Chun-ying to provide services at any time. Is he saying that he did not need to make any declaration until the other side really required him to provide service? Is this acceptable?

According to some media reports, the secret agreement required LEUNG Chun-ying to support UGL's bid to purchase DTZ, and members of the DTZ Board were not aware of his having accepted the advantage offered by the prospective purchaser. On the day of signing the agreement, DTZ turned down the \$1.3 billion purchase proposal of the Tianjin Innovative Financial Investment Company, which was almost 100% higher than the UGL proposal. Did all this involve any commercial crimes such as acceptance of unlawful rebate? If the DTZ Board had been aware of LEUNG Chun-ying's acceptance of a bonus, would it still sell the company to UGL? All this requires an inquiry.

After media disclosure, ZHANG Xiaoming, Director of the Liaison Office of the Central People's Government in the Hong Kong SAR (the Liaison Office), hastened to say that the Central Authorities had long since been aware of this incident, and it was actually no breaking news at all. Now, I would think this involves problems at two levels: does this mean that with the knowledge and approval of the Liaison Office, LEUNG Chun-ying would not commit any crime, all his acts would be lawful, and he could evade taxes? Does this mean that with the approval of the Liaison Office, LEUNG would also have the approval of the Communist Party of China, something that could enable him to do whatever he liked in the whole world and prevent foreign countries from prosecuting him even when he made mistakes?

Since XI Jinping has repeatedly talked about ruling the country according to the law and managing the party according to rules and regulations, we all think that this incident must be handled very sternly. We believe that LEUNG Chun-ying's failure to make a declaration and pay the required tax under the law must be handled before everything else. If LEUNG Chun-ying is an underground Communist Party member, he should even be required to confess at the designated place and time.

But, well, we all understand that a person cannot possibly become the Chief Executive if the Central Authorities do not have any negative information about him. People have been saying somewhat jokingly that the Central Authorities will not allow any civil nomination and genuine universal suffrage because they cannot make sure that they can have negative information about every candidate. They are afraid that they may not have the negative information required for controlling the elected regional leader in case he turns errant. Therefore, the Central Authorities will have no confidence in any electoral arrangements that allow the participation of people with no negative information available to them. This explains why the Communist Party of China will never accept civil nomination.

If Chief Secretary for Administration Carrie LAM is present today, I will ask her a set of questions. Speaking of the questions I have just asked, I know that she will probably answer the ones which appear on her script, and she will simply ignore the rest. And, I must say we must have heard many of the answers she may give. The Acting Chief Secretary for Administration may answer the question I am going to ask today. If he does not, we will follow-up the question through other channels in the future, such as putting forward a written question or oral question.

My question is not for LEUNG Chun-ying. Acting Chief Secretary for Administration, suppose a government official signed an agreement or contract with a private-sector organization before joining the Government (whether this is to be called a secret agreement), and the agreement is still effective after his assumption of public office, can he avoid making a declaration, and will the Government stop investigating whether he has told any lies, by claiming that he never provided any service during the agreement period? Also, can that government official say that even if he may be required to provide service in the future, he can still choose not to make a declaration because the agreement already provides that the provision of service shall not put him in any conflict of interest with his present office? Can that government official wait until the other side really requests him to provide service, and then say that he will make a declaration to the Government only after he has assessed whether there is any conflict of interest with his post? Will the Government give him any permission to do so?

MR CHUNG KWOK-PAN (in Cantonese): President, I would like to discuss commercial contract from some commercial perspective or by making reference to the general commercial practice. For example, the contract entered into between the Chief Executive and UGL is relatively common in the commercial world. In particular, in the case of an acquisition, the buyer will demand the inclusion of some terms to subject the vendor — especially the key man whom we refer to — to some rules. This is to protect the buyer that upon acquisition, the business of the company will not be affected. The most common arrangement is that after the acquisition of the existing company, the key man has to work for it for three more years before he can leave. There are some other similar arrangements: The key man receives a sum of money to stay away from the business for a period of time, which in a way removes a rival; certain employees are not to be poached and they have to continue to work for the existing company.

These circumstances are actually very common, and are normal forms of commercial partnership, but we of course understand that the protagonist this time is the Chief Executive. Although he was not yet the Chief Executive when he signed this contract, his failure to declare such interest has given rise to many queries.

President, I am one of the five Members who met with the Chief Executive on Monday. During the meeting, the Chief Executive gave us a document, the content of which had basically been reported by the media. There was nothing special and it contained no new information. We of course asked him questions and some have been raised by Members just now. For example, why was the offer made by a Tianjian company, which was £100 million more, turned down? Was there anything wrong? That could not have been possible from the commercial perspective as there was a difference of \$1.3 billion between the two offers. In particular, the company he sold was insolvent and had to pay back what it owed the bank. Even if he had been willing to accept the lower offer, the bank might not have been willing to. However, after we have raised this question, one explanation offered by the Chief Executive was that the Tianjian company attached conditions to the acquisition, one of which being the relocation of the headquarters of DTZ England to Tianjian, as mentioned by Members.

The other issue involved foreign exchange. If the Tianjian company were to acquire DTZ, the sterling pound had to be paid by remittance. As we are aware, China has foreign exchange control and there was no exact date for the

green light for the remittance for settlement. Therefore, the explanation offered by the Chief Executive was that the board of directors found the two conditions unacceptable although the buyer was willing to pay more. The offer could thus only fall through.

Moreover, though it is only hearsay, my understanding is that members on the board of directors were basically Britons, and since the acquisition was made by UGL, which is an Australian corporation, the two places belong to the same legal system and speak the same language. Thus, DTZ is willing to accept a company which shares the same language rather than a Chinese commercial organization which is unfamiliar to them.

In addition, we of course asked him if the board of directors was in the know and the answer was in the affirmative. We were told that many decisions were made by the board rather than by an individual. Moreover, out of the £4 million, the granting of £2 million was subject to one condition: It had to be withheld if some employees left within a certain period. We see that no money had been withheld finally, but we do not know if any employee had left.

We of course also asked the Chief Executive if he had provided services in the end, and he replied in the negative. Then, we discovered that the major problem rest with declaration. The Chief Executive said he had made declaration in accordance with the established mechanism of the SAR Government. These were the issues we discussed then.

Why did the Chief Executive refrain from holding a press conference to discuss the matter? Take Mr James TIEN as an example. He held a press conference last week. It lasted for over an hour and did not end until all questions were asked. This is the ideal way to handle the matter. The question now is: Since he has not done so, Ms Claudia MO is moving this motion to invoke the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to inquire into him.

Even if he has held a press conference to explain, I think some pan-democratic Members will not be satisfied and may also invoke the P&P Ordinance to conduct an inquiry. However, the actual situation now is someone has filed a report with the ICAC, and the ICAC has ...

(Ms Claudia MO stood up)

PRESIDENT (in Cantonese): Ms Claudia MO, what is your point?

MS CLAUDIA MO (in Cantonese): President, I have some worries. Under Rule 41(6) of the Rules of Procedure, should Members not refrain from using the name of the Chief Executive to influence the Council? Mr CHUNG Kwok-pan is repeatedly citing the conversation between them and LEUNG Chun-ying. Is that appropriate?

PRESIDENT (in Cantonese): Ms MO, Mr CHUNG Kwok-pan is not influencing the Council using the name of the Chief Executive. Mr CHUNG Kwok-pan, please continue. I will continue to pay attention to your speech.

MR CHUNG KWOK-PAN (in Cantonese): I heard that the ICAC has opened a file on the case. However, someone told me yesterday it would not make sense even if the ICAC had opened a file as it had to report to the Chief Executive at the end of the day. We should look at it this way: Do we still have confidence in the ICAC? LEUNG Chun-ying can only be the Chief Executive for a few years at the most, but the ICAC has been established for over 30 years. We believe Hong Kong cannot do without the ICAC in the future. The ICAC consequently has to serve and face the people of Hong Kong. If the ICAC launches its investigation, its power is even bigger than that of the Legislative Council. It can enter a premises to investigate and take away all documents but the Legislative Council cannot do so. We of course can summon witnesses and demand access to any related evidence but the ICAC can be more proactive. It can directly enter the premises to investigate. Is this not a greater power?

At the moment, the basis of Hong Kong's rule of law is wavering. The ICAC is always airing this promotional footage which says "Hong Kong — Our Advantage is the ICAC". Who else can we trust if we do not trust the ICAC? If even the ICAC wavers, I believe Hong Kong will come to its demise. Thus, as far as I am concerned, I have full trust in the ICAC. In my opinion, if it takes over the investigation over the matter, it should be allowed to do so.

As for the Liberal Party, our stance is that we do not consider that the P&P Ordinance should be invoked to inquire into this matter, in order to avoid overlapping with the ICAC's investigation. On 22 March 2012, Mr LEE

Wing-tat, the then Member of the Legislative Council, moved to invoke the P&P Ordinance to inquire into the "hospitality-gate" and "interests-gate" scandals pertaining to Donald TSANG, the former Chief Executive. Ms Miriam LAU, the former Chairman of the Liberal Party, had expressed our stance in her speech: If the ICAC is investigating any person, including the Chief Executive, the Liberal Party will abstain from voting on a motion for the Legislative Council to conduct an inquiry. Therefore, the Liberal Party is also ready to abstain from voting on this motion.

Thank you, President.

MR LEUNG YIU-CHUNG (in Cantonese): President, we continue our debate on Ms Claudia MO's motion to invoke the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to set up a select committee to inquire into the allegation of the Chief Executive LEUNG Chun-ying receiving the benefits of the Australian corporation UGL Limited (UGL).

President, I actually want very much to talk to the Chief Secretary Carrie LAM, but she is not in attendance and Secretary Matthew CHEUNG has stepped in for her. It is my strong wish that Secretary Matthew CHEUNG could truthfully relay to the Chief Secretary Carrie LAM what we have said in our speeches since her response made yesterday on this motion was more assertive than before.

First, she criticized Ms Claudia MO for wilfully hitting out at the Chief Executive, and remarked that her accusations were unreasonable and regrettable. She reiterated that the contract between LEUNG Chun-ying and UGL was a departure agreement. In other words, the agreement was about non-competition, under which LEUNG Chun-ying should not work for other rivals upon departure, or poach the employees of DTZ.

The agreement was a non-public commercial arrangement. The agreement and the money arose from LEUNG Chun-ying's departure from DTZ, rather than from any services he was to provide. After signing the agreement, LEUNG Chun-ying had not provided any services to UGL, and the existing declaration mechanism of the Executive Council did not cover a departure agreement. The agreement had been drawn up before LEUNG Chun-ying was elected the Chief Executive, and he had resigned from the membership of the

Executive Council. Since these issues had been clearly explained, there seemed to be no reason for the incident to linger on in the Chamber of the Legislative Council.

President, having heard these words of the Chief Secretary yesterday, I have a feeling that a slew of problems exist. First, she sounded as if she were LEUNG Chun-ying, speaking as the first person knowing everything inside out. She even believed what she said was entirely true. President, I find this very strange. If what the Secretary said were true, it would be purely a private agreement between a private corporation and a private employee, but why could the Secretary have so much knowledge? Unless she had found something extraordinary between them and the Government had conducted an investigation and thus gained access to the information held by them, how could she have read such information?

Second, UGL is a private corporation and the departure of an employee is also a private matter which has nothing to do with public office, but why would the Government have probed somebody's private affairs out of no reason? Why? President, I really cannot understand. How could you have allowed the Chief Secretary to speak on somebody's behalf over private affairs? This Council is to discuss and scrutinize matters relating to public office and the operation of government organizations, instead of — if there are no problems — probing private corporations and private affairs for no reason.

Besides, why did the Chief Secretary have so much trust in him when the matter is so private? What capacity was she in, and what relationship did she have with LEUNG Chun-ying for her to clearly respond to the questions? Was she the legal representative of LEUNG Chun-ying? Otherwise, why was she qualified to speak those words on his behalf? President, I really cannot understand. Unfortunately, it is Secretary Matthew CHEUNG who is in attendance today and not the Chief Secretary Carrie LAM. I would like to ask if she can guarantee what she knows is the entire fact, without anything concealed and deceptive? Can she guarantee? Can she swear as if she were attending court that what she knows is the entire fact, without fake, omission, concealment and deceit? Can she swear?

President, as we all know, since LEUNG Chun-ying began to stand for election, he had denied having done a lot of things, but was he telling the truth? In fact, he has been hiding the fact by means of double-talk. He has been lying.

For example, earlier, he was involved in putting up illegal structures. This issue is too distant for us to discuss further. Moreover, the Director of Buildings has been doing him favour and harbouring him. He has let him off the hook and avoided making prosecution. I do not intend to talk about this. President, let us turn to the recent report on *The New York Times*. What was the report about? They reported that the Chief Executive had said that broad representation did not come from figures and warned that if the candidate of the Chief Executive came from public nomination, the policies would tip towards those in Hong Kong with a monthly salary of below \$14,000. This has been translated into Chinese and reported.

Of course, many from the grassroots and grass-roots groups are upset very much by such words and have criticized the Chief Executive. The Chief Executive's Office later made clarification but what did it say? It said the Chief Executive had never made that remark. President, I did read the English original. He really did not mention the so-called figure of "\$14,000". I did not see the figure, but what did the original say? It mentioned US\$1,800. President, if one has paid attention to the exchange rate, one would know that US\$1,800 is roughly \$14,000.

Let us take a look at our Chief Executive. He unexpectedly employed this art of double-talk without mentioning \$14,000 but US\$1,800 to show that he did not say that himself. Under such circumstances, I would very much like to ask the Chief Secretary: How could she emphasize in her speech that LEUNG Chun-ying had not provided any services to UGL? How could she be certain that he had not? How could she trust him? In what capacity was she and how was she qualified to believe him to say those words? Moreover, when the Chief Secretary said he had not provided any services, does it mean that he had not worked for this corporation? President, he could be peculiar with words and differentiate between "work" and "service". There was nothing abnormal working for this corporation. All he needed was making a phone call. How could the Chief Secretary know that he had not done so? I really am at a loss why this Chief Secretary would bet Hong Kong, her personality and reputation on this Chief Executive who always lies. Since the Chief Secretary represents the SAR Government and the SAR Government is about the whole of Hong Kong, not only is she betting herself on this Chief Executive who constantly lies, she is also betting the SAR Government and the entire Hong Kong society on the Chief Executive. President, is this possible? The Chief Secretary believes in what he said without carrying out any investigation. She has gone too far, hasn't she?

President, what is the main reason for us to propose today to conduct an inquiry under the P&P Ordinance? Apart from asking for an inquiry to find out if these so-called reports are real and prove the Chief Executive's innocence, we are also performing our duty. The main spirit of the P&P Ordinance is to allow us to establish a select committee to examine if there is misconduct on the part of the Government or the officials. This is our duty. Why do we not do so?

Besides, President, I said earlier that in the past, the Chief Executive had been constantly covering up his lies with double-talk. Take the acceptance of \$4 million from UGL as an example. The Chief Secretary has said a lot to clarify for him but some reports have brought up another issue. It has been revealed that when LEUNG Chun-ying ran for Chief Executive in 2011, apart from allegedly intended to accept \$4 million from UGL pertaining to the acquisition of the parent company of DTZ, he even expressed his wish to collect an extra £3 million as compensation from DTZ Japan or as supplementary benefit. This however did not come through in the end as the other party thought that the price was too exorbitant and did not agree to it. Through the Chief Executive's Office, our Chief Executive responded by saying he would not comment on the issue. President, if LEUNG Chun-ying was really innocent, why did he not deny? Given his character, he would definitely have denied just as he clarified he did not say \$14,000. We mentioned this earlier. Why then did he not clarify this rumour? President, is this a case of "he who denies all confesses all"? Once and again, every time an issue crops up, it is like squeezing the toothpaste, and we are given a bit more detail every day. Under such circumstances, what reason do we have to ignore the Chief Executive of the SAR Government, and not to conduct an inquiry to find out the truth?

President, we are very worried because the Chief Secretary and the SAR Government are standing up for a person — not a man in the street but the Chief Executive. I have handled many cases. I remember when someone from the senior level suspected some ordinary civil servants, the latter would be suspended from duties pending investigation, regardless of how much truth or evidence relating to the incident was on hand. In the latest case of seven police officers beating up a protester in a dark corner, although we criticized the Police for failing to make arrest, those police officers have been suspended from duties pending investigation. However, despite widespread global reports of this serious incident which involved the conduct of the Chief Executive, we have not conducted any inquiry. All the Government has done is to come out and say it "believes" and the problem has been addressed. President, is this possible?

Can it be handled in this way? What is happening here? He is the Chief Executive of Hong Kong in charge of a society of over 7 million people. How can we let him off?

Thus, today, I am very much in support of Ms Claudia MO's motion. Business aside, our Chief Secretary has no relationship with LEUNG Chun-ying. How could she have made so many assurances and private remarks on his behalf? How could she have expressed so much trust? President, I do consider this inappropriate. Therefore, President, I wish the Chief Executive LEUNG Chun-ying would come out and explain thoroughly in this regard. By doing so, the Hong Kong people and those who are concerned about this incident around the world can understand it.

MR CHRISTOPHER CHEUNG (in Cantonese): President, Hong Kong is particular about the rule of law; it is also a place where probity is highly regarded by all. "We are lucky enough to have the ICAC" is a well-known phrase always quoted by Hong Kong people. Everybody trusts the ICAC as we all believe that it will tackle all corruption cases impartially and will treat all on the same footing. It will combat both the crooks and the kingpins. Article 47 of the Basic Law also stipulates that the Chief Executive "must be a person of integrity, dedicated to his or her duties."

Today, Ms Claudia MO proposes to invoke Legislative Council (Powers and Privileges) Ordinance to inquire into the allegation that Mr LEUNG Chun-ying received the benefits of the Australian corporation UGL before assuming the office as the Chief Executive. Actually, she wants to occupy the moral high ground by making use of the probity issue highly regarded by all, as well as the relevant requirement under the Basic Law to accuse the Chief Executive for breaking the law. This is a very serious accusation. However, more than two weeks ago, this issue was discussed in the meeting of the House Committee. At that time, Members understood clearly that there were no sufficient reasons to substantiate the accusation. The motion was therefore negated. However, it is obvious that Ms MO brings up this matter from the past as she wishes to stir up problems and attract public attention, with a view to undermining the popularity of the Chief Executive, thereby justifying the objective of launching the non-co-operation movement. That is, to oust the Chief Executive.

President, please let me make a point-by-point analysis on whether the pan-democrat's allegation against the Chief Executive is substantiated. First, as to the fact that the Chief Executive received £4 million from UGL for giving his consent to assist the sale of DTZ, just as everyone have learnt, half of the £4 million was actually a payment for his resignation, and the other half was to compensate him for observing the non-compete and non-poach requirements. As long as a senior staff of DTZ resigns two years after the agreement was signed, UGL shall reserve the right to deduct 5% of the remaining unpaid reward. That is to say, if 20 of them have resigned, in principle, the remaining £2 million payment will be quashed, and no extra money will be paid up for the so-called extra service. I believe that this type of "golden handshake" practice or similar arrangement in the business world is not uncommon at all. I believe the crux of the problem lies in the term "secret agreement" used by the Australian media in the initial coverage of the case, and the fact that creditors as well as the major shareholders were reportedly unaware of the agreement between Mr LEUNG Chun-ying and UGL. In that coverage, Mr LEUNG was just being depicted as someone accepting unauthorized commission. However, I wish to point out that after the Australian media, Fairfax, which discloses the case, has published the story, it simply changed the allegation by saying that after checking the emails between the creditor RBS, the former chairman of DTZ and its administrator Ernst & Young, it was found that all these parties were aware of the content of the agreement. That is to say, the report has made a mistake. Then how can we angrily point an accusing finger at someone, even the *prima facie* evidence is not substantiated? How can one say that an investigation is a must?

When UGL, which acquired DTZ, was asked whether the directors of DTZ were informed and if they had approved the deal, it was clearly stated that (I quote): "We cannot speak for all of the directors of DTZ Holdings plc at the time; however, DTZ Holdings plc board representatives, management, financiers and advisers were all involved with and aware of these discussions." (unquote) That is, the saying that DTZ, in its capacity as the employer, was not aware of the deal, is groundless. The case does not stand at all.

President, as the Chief Secretary for Administration Carrie LAM pointed out last Wednesday in response to Members' question, the agreement was not a secret agreement; it was just a commercial arrangement not made public.

Moreover, as far as the timing was concerned, it happened that the date on which the Australian media published the story was 28 September. It was the day when tear gas was used in the attempt to disperse the protesters who charged at the police cordon lines. I do not want to speculate the specific reason behind that. I only want to point out that it was a timely coincidence. With regard to the purpose, as Mr Alan LEONG, the fellow partisan of Ms Claudia MO, just said explicitly, they wanted to initiate the procedure to impeach the Chief Executive. For that reason, the whole thing behind this motion is not related to a conspiracy, but a fact which is widely known by all.

Furthermore, another focal point of the UGL acquisition was that at the final stage before the sale agreement was to be concluded, a state-owned enterprise, that is, a Tianjin enterprise, came out of the blue. Its bidding offer for DTZ was about £100 million more than that made by UGL. But eventually, the DTZ management decided to sell the company to UGL. Was LEUNG Chun-ying involved in that? As the Chief Executive told some of our Legislative Council colleagues, including me, on Monday in a bid to supplement the earlier announcement made by the Chief Executive's Office, he resigned from the board on 24 November with immediate effect. In other words, when the board made the decision in early December, he was not a member of the board, so he didn't have the final say at all. It was therefore totally groundless to accuse Mr LEUNG for harming the shareholders' interest.

Just now some pan-democratic Members claimed that Mr LEUNG was involved in the entire decision-making process, which was evidenced by the fact that he knew the Tianjin enterprise had imposed some improbable terms and conditions to the deal, such as the relocation of DTZ's headquarters to Tianjin, and that the deal could only be completed with the approval of the State Council. Nevertheless, in view LEUNG Chun-ying's work experience and qualifications in the trade, in addition to the fact that he was in the top management of the company, it was not uncommon for him to learn some of the details about the transaction afterward. Please do not speak or act on hearsay evidence.

President, another point is that amid the entire UGL acquisition crisis ...

(Mr WONG Kwok-hing stood up)

MR WONG KWOK-HING (in Cantonese): President, since Mr LEUNG Kwok-hung brings with him a loudspeaker, I therefore can hear acoustic interference as I am sitting at the back row. Will you deal with that in accordance with the Rules of Procedure?

MR LEUNG KWOK-HUNG (in Cantonese): I have not brought a loudspeaker with me. Is Mr WONG Kwok-hing feeling unwell?

MR WONG KWOK-HING (in Cantonese): How can that be? I can still hear the buzzing sound now.

MR LEUNG KWOK-HUNG (in Cantonese): That sound comes from the seat next to him. Why should he accuse me for that? Why should he blame me for everything? It is perhaps due to the person sitting next to him, perhaps Mr NG Leung-sing is listening to something. For a dog to bite a person, "buddy", you should ...

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please sit down. Members please observe the Rules of Procedure.

(Mr LEUNG Kwok-hung still spoke loudly while sitting)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please stopping speaking immediately. I cannot hear any other sound. Mr WONG Kwok-hing, please make clear the kind of device you have referred to.

MR WONG KWOK-HING (in Cantonese): The sound has disappeared now.

(Mr Albert CHAN stood up)

MR ALBERT CHAN (in Cantonese): President, I suspect Mr WONG Kwok-hing is losing his mind, please take care of him.

(Mr LEUNG Kwok-hung stood up)

MR LEUNG KWOK-HUNG (in Cantonese): (*inaudible*) ... to save the trouble, please do the head count in accordance with clause 17(2) as a quorum is not present. If you wish to blame someone, please blame Mr NG Leung-sing. What has this matter to do with me? You just blame me for everything.

PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(While the summoning bell was ringing, a Member spoke loudly)

PRESIDENT (in Cantonese): Members please keep quiet.

(While the summoning bell was ringing, a Member still spoke loudly)

PRESIDENT (in Cantonese): Members please keep quiet.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): Mr Christopher CHEUNG, please continue with your speech.

MR CHRISTOPHER CHEUNG (in Cantonese): Actually, this UGL acquisition crisis, just as today's motion says, took place before Mr LEUNG Chun-ying assumed office as the Chief Executive. If Members remember well, as far as the situation of the Chief Executive election was concern, LEUNG

Chun-ying's situation was not that favourable as he was the underdog. For that reason, the major purpose of the agreement was to prevent him from engaging in some direct competition or poaching activities.

As to the question of whether LEUNG Chun-ying had been engaging in any "part-time job" after assuming office as the Chief Executive, I don't think the question is that complex at all. He added an additional commitment on the day he signed the agreement with UGL. It was mentioned in the agreement that UGL reserved the right to request him to provide his service for a certain period of time. But just as the Chief Executive and Chief Secretary Carrie LAM explained clearly respectively, after concluding the agreement, the Chief Executive had not provided any service to UGL.

Of course, had the Chief Executive been more alert then and made additional efforts to prevent the public from misunderstanding the matter, or had he made a more lucid explanation after the incident was widely covered by the media, it would have helped addressing public concerns. I hope the Chief Executive understand that the society is very concerned about potential conflict of interest nowadays, and he should never treat it lightly.

President, up to this day, neither the Business and Professionals Alliance for Hong Kong, to which I belong, nor I see any wrongdoing in the UGL acquisition incident which warrants the investigation under the Legislative Council (Powers and Privileges) Ordinance. Moreover, once a select committee is formed, the time to be spent on investigation will not be days, but years, and the cost will be hefty. Besides, will the public agree to spend the time and money on an unfound case? Furthermore, the filibustering within the legislature as well as the recent non-co-operation movement will definitely impede the Government's operation in every direction, be it infrastructure, policy, funding arrangement or legislation work. As additional expenses amounting to billions of dollars will incur, people who would have been benefited or supported will not have their wishes fulfilled over a prolonged period of time. The public have been discontented with all of these things.

Lastly, I wish to point out that pan-democratic Members are resorting to every conceivable means to create a chaotic overall situation, to fan the flames of disorder and to find fault with the Government. Yet, they turn a deaf ear and a blind eye to the improvement of people's livelihood and economic development.

May we ask if it is for the good of Hong Kong? Moreover, if the public eventually hold grudge against them, it will be very difficult for them to stay out of the trouble.

With these remarks, I oppose today's motion proposed by Ms MO.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

DR LAM TAI-FAI (in Cantonese): President, before speaking on the motion, I would like to first answer the question you put to me last time. You asked me if I was a representative of the Chinese People's Political Consultative Conference (CPPCC), and my answer is that I have been a representative of the 11th and 12th CPPCC. This is my honour to be a representative of the CPPCC, and that is why I will never forget about that. It is my hope that I can continue to hold this post and become a representative of the 13th and 14th CPPCC. Hence, even though today I am speaking in this Chamber in my capacity as a Member of the Legislative Council, I still bear in mind my capacity as a CPPCC representative.

President, the motion moved by Ms Claudia MO seeks to invoke the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to investigate whether Chief Executive LEUNG Chun-ying has received £4 million from the Australian corporation UGL Limited (UGL), and whether he has involved in any integrity issue or violated the law. I have listened to the response made by the relevant public officer and the speeches delivered by Honourable colleagues in these two days. Up to this moment, my conclusion is that it is not worthwhile to support the motion moved by Ms Claudia MO to invoke the P&P Ordinance to investigate the Chief Executive. My status as a CPPCC representative is certainly not the reason why I do not support her motion, as CPPCC representatives do not necessarily have to "support LEUNG". CPPCC representatives can distinguish between truth and falsehood and analyse the truthfulness of things in a rational manner. Hence, this is not the reason why I oppose the motion. Nevertheless, I am not saying that I know about what was going on behind the scene or the truth of the incident, so much so that I do not think that there is any problem with the Chief Executive's integrity or he has violated the law.

As a matter of fact, despite his hectic schedule, the Chief Executive squeezed some time last Monday to meet with a number of Members from the pro-establishment camp, including Mr IP Kwok-him, Mr Christopher CHEUNG, Mr CHUNG Kwok-pan, and so on. However, I was not invited to the meeting, and that is why I have no idea about the inside story. Besides, I am not familiar with accounting procedures and do not have any professional training in accounting or law, and hence I cannot analyse from any legal or accounting perspective and judge whether he is clean and has not involved in tax evasion or law violation. Actually, many Members of this Council are accountants or have studied law. Mr Dennis KWOK and Mr Kenneth LEUNG, for example, have studied law and accounting respectively. On the other hand, Ms Starry LEE and Mr Martin LIAO from the pro-establishment faction are also experts in the law. One thing I really cannot understand is that even though they have all studied law or accounting, their judgments can be so different. Some consider LEUNG clean; some think otherwise. Perhaps their divergent views can be attributable to the fact that they studied law or accounting in different schools.

I am not an expert in the relevant fields and have no idea about the inside story. Why am I not in support of the motion then? In the final analysis, the major reason is that I consider Hong Kong a pragmatic society which can differentiate between the real world and fairy tales. I understand very well the motive of Ms Claudia MO in moving this motion. I believe she does not really want to investigate whether LEUNG Chun-ying has violated any law or has any problem with his integrity, I think she just wants to humiliate him. Hence, I find her motive malicious. Regarding the question of whether there are any external forces involved in this motive, as the President has said before, neither you nor I can see it with our eyes, so we can but make some wild guesses. If I know very well that the motive is malicious, I can find no reason for me to join in such a crazy act with her; if I know very well that this motion will never be passed, I can find no reason for me to support her irrationally and senselessly.

Indeed, in the past — Members all know that this is my second term of office as Legislative Council Member — whenever the P&P Ordinance was invoked to carry out an investigation, huge amounts of manpower, resources, funding and time would certainly be spent, and in vain in most case. Nevertheless, that does not mean that no investigation would be carried out. The incident this time involves not only the Chief Executive and an overseas corporation (the Australian corporation UGL) but also the Royal Bank of

Scotland — I am not sure if I get the name right. That being the case, even if an investigation committee is formed, do we have the power to summon such overseas corporation and bank to send representative to our hearings? If we do not have such power, we will be holding the hearings unilaterally. To be very honest, the efforts made will just be in vain and nothing meaningful will come out. Such an investigation is bound to have no meaningful results and will certainly waste a lot of manpower, resources and funding. Why should we proceed with it? We really should not carry out such an investigation.

Moreover, if Chief Executive LEUNG Chun-ying really has problems with his integrity in this incident, the major victims will be the small shareholders, or the major shareholders as well, not just small shareholders. The shareholders are those who have been taken advantage of or double-crossed by LEUNG Chun-ying, they are the victims (or suspected victims), and yet they do not come up to state their case. Why does Ms Claudia MO have to be so anxious about the matter when these concerned parties aren't? Even if it is all because she is very eager to find out the truth, she can invite the small shareholders to sue the Chief Executive through legal proceedings rather than urging the Council to invoke the P&P Ordinance. Does this Council really have nothing to do? Do we really have a lot of free time? Actually, there are many ways through which the truth can be sought. But then, as the shareholders do not wish to inquire into the matter, I have reason to believe that perhaps there is really nothing wrong, and the shareholders really have not suffered any losses in this transaction.

Earlier on, a Member mentioned that integrity is one of Hong Kong's core values. How come we could do so well in this respect in the past? This certainly has something to do with the good work of the Independent Commission Against Corruption (ICAC). The ICAC has certainly noticed this case, and maybe the Inland Revenue Department (IRD) is aware of that as well. Neither the ICAC nor the IRD has opened a file in this respect, and we must trust that these two agencies do not practice favouritism. Those who see things through tinted glasses may argue that the ICAC does not open any file because it is afraid of the Chief Executive, and that the IRD dare not do so because it is a government department. However, equality is upheld in Hong Kong. Given that "both the emperor and the people are equal before the law", how come they do not open any file? Perhaps ... no, I should not say perhaps. I believe that the ICAC and the IRD have come to a conclusion that the incident does not involve any tax evasion offence or corruption and bribery offences, and therefore

they do not find it necessary to open a file. Further still, even if they have secretly opened a file, we can just wait and see. What is the point of invoking the P&P Ordinance hastily to summon the Chief Executive?

President, our society is chaotic enough these days. The situation outside is one example. Nobody knows when Occupy Central will end. The entire population is in pain and the entire population is insane. Every day, people are engaged in some disobedience movement, thereby driving the entire Council crazy. What is the point in doing such things?

Our society should really reflect on a statement made recently. This statement is made by the initiators or organizers of Occupy Central, and they said they would surrender themselves to the Police when the entire movement is ended. The entire population of Hong Kong should really reflect on this statement and consider whether this is the truth or distorted truth. Will this have any adverse influence on our next generation? We should all think about these questions. Perhaps the Chief Executive may also follow their example and say that he will give an account to the public upon completion of his current term of office, while he chooses to wait until the end of his current term of office to give an account of the incident to the public. If we accept the initiators or organizers of Occupy Central to surrender themselves to the Police or give a clear account of the entire movement after it has come to an end, why do we not accept the Chief Executive to give an account of the incident upon the completion of his current term of office? Why must we insist on having him interrogated by Members expeditiously? The law will not change with the persons concerned. Likewise, we cannot accept somebody's arguments just because we support that person, and reject somebody's arguments just because we oppose that person. Given that the pan-democratic faction can accept the Occupy Central organizers to "surrender themselves afterwards", I do not think there is anything wrong for the pro-establishment faction to support the Chief Executive to "pour his heart out" upon completion of his current term of office.

Let me say something from the bottom of my heart. If the Chief Executive had invited me several days ago and disclosed to me more views instead of inviting only those five pro-establishment Members, if he had disclosed more about the inside story to me, I would not have given such explanations for him like "golden handshake", no actual provision of services, no involvement in conflict of interests, or something like "such kind of declaration is not required under the existing mechanism of the Executive Council". I would not have

given such explanations because they could hardly convince the pan-democratic Members or "KO" them. In the days to come, they will continue to propose motions and organize some disobedience movements. In any case Chief Executive — sorry, I almost referred to you as the Chief Executive — President, this is a Freudian slip, a slip of tongue reflecting what is in my heart (*some Members spoke in their seats*) ... I am not making any excuses, sometimes I really let a Freudian slip speak out what is deep down in my heart. President, judging from what I heard in today's debate, unless the pro-establishment Members or opposition Members can produce some special arguments later on that can really cause me to change my mind, I will not change the stance I have been holding so far. I do not support Ms Claudia MO's motion to invoke the P&P Ordinance to inquire into the incident of LEUNG Chun-ying having received £4 million from the Australian corporation UGL, as I find her motive U-G-L-Y.

I so submit.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR PAUL TSE (in Cantonese): President, since much has been said by many colleagues about the arguments concerning the background or facts of the case, I will not repeat but would only like to express my views on a few other issues.

The motion seeks to invoke the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to investigate into the case. Debates have been held in this Council before on many occasions to discuss motions moved under the P&P Ordinance and needless to say, such motions are now moved nearly once every one or two weeks. Nevertheless, since some members of the public may not have a full understanding of the circumstances under which the P&P Ordinance should be invoked to conduct an investigation, I would like to spend some time to have a recap of some basic principles. Although many colleagues are very experienced in this respect, the whole truth has usually not been disclosed due to their subjective will or some political considerations. Worse still, attempts have even been made by some colleagues to deliberately mislead the public. In view of this, I wish to take this opportunity to reiterate and clarify the relevant criteria to be met.

President, the motion moved today has nothing to do with what Mr Alan LEONG has suggested at the last House Committee meeting. According to him, since there is a serious breach of law or dereliction of duty on the part of the Chief Executive, certain procedures can be initiated pursuant to Article 73(9) of the Basic Law. He has obviously confused one thing with another by saying so. As a senior counsel, he should not justify the invocation of the powers under the P&P Ordinance with the stipulations in Article 73(9) of the Basic Law. If really necessary, impeachment procedures against the Chief Executive as stipulated in Article 73(9) of the Basic Law should actually be initiated by Members if they have the support of solid evidence and justifications, instead of moving a motion to invoke the P&P Ordinance in this Council.

President, there is also another point which in my opinion should not be taken into consideration, and neither is it appropriate to do so. What kind of conduct is actually involved to trigger the moving of the motion in question? As we all know, the P&P Ordinance is only applicable to the investigation into the allegations of serious negligence of duty on the part of the Government, public organizations, public officials or individuals, or into cases involving significant public interests, and it is expected that everyone knows about it. However, what is the subject matter involved in the motion moved today?

President, according to the relevant news reports, though the reports themselves are contradictory, the case on the whole involves only private commercial disputes and the relevant conduct is of a private nature. Theoretically speaking, if a person's private conduct constitutes a negligence of duty on his or her part, action may be taken against the person by the companies, shareholders and the law-enforcement agencies concerned and in the present case, the law-enforcement agencies and regulatory bodies of listed companies in Hong Kong, Australia and the United Kingdom, for instance, may discharge their duties. Any shareholders who consider their rights and interests infringed may lodge a claim for compensation under the common law or the relevant legislative provisions, holding Mr LEUNG Chun-ying, who was one of the directors of the company then, liable for breaching his fiduciary duty as a director and inflicting damages on the interests of the company as well as those of the shareholders. This is merely an action within the scope of private law, which is an area of civil law rather than public law.

It is of course possible that certain acts infringing private rights and interests are at the same time contrary to public interests or in breach of legislative provisions relating to criminal offences. Under the circumstances, law-enforcement action must be taken by the law-enforcement agencies of the jurisdiction concerned. If there is *prima facie* evidence suggesting that there is a violation of the criminal law, investigation may be carried out and prosecution may even be initiated by the law-enforcement agencies concerned. I think these are very clear to everybody.

Nevertheless, as I have said just now, the case in question involves essentially commercial activities of a private nature. Mr LEUNG Chun-ying announced at a particular moment his decision to stand in the Chief Executive election, was elected as the Chief Executive subsequently, and might have received benefits under the relevant agreement after he had taken office. However, in examining the question of whether the P&P Ordinance should be invoked to investigate into the case, a very clear line has to be drawn to decide the period to be targeted at. It should be noted that most of the activities involved in the case took place before Mr LEUNG Chun-ying took office as the Chief Executive, that is, before his assumption of office formally. Of course, he has been a Member of the Executive Council for a period of time but having resigned later from his office in the Executive Council. The incident has actually occurred during the "window period". In that case, is there evidence to prove that he was holding public office when the incident happened? Has anything concerning the case been done when he was holding public office? It can be seen from the relevant news reports and facts that justifications in his regard are relatively flimsy.

Besides, although Executive Council Members are required to declare their interests, after perusal of the information on the requirement for declaration of interests for Executive Council Members, I notice that there is already clear prescription of the interests required to be declared, which include only land and property or any beneficial interest in respect of land and property, either owned by Members or by their close relatives, and company shareholdings of a nominal value greater than a clearly specified percentage. In other words, declaration should only be made if their shareholdings in a company exceed a prescribed percentage. However, declaration is very obviously not required for some items such as cash, saving, jewellery or even costume jewellery, and so on. There is

no need to make any declaration for such items. President, it would therefore be difficult to judge if he has acted against the system for declaration of interests when he was an Executive Council Member.

(THE PRESIDENT'S DEPUTY, MR ANDREW LEUNG, took the Chair)

Deputy President, it is a pleasure to have you here. As the Chief Executive-elect, he is required under the Basic Law to declare, upon assumption of office, his assets to the Chief Justice of the Court of Final Appeal. First of all, the details of the declaration will not be made public and there are of course reasons behind such a need. Secondly, a clearly defined scope of the declaration has yet to be formulated. Some colleagues have commented that cash should be included as far as the term "assets" is concerned and the argument is both understandable and agreeable to me. However, the scope of the declaration is still unknown and we are not sure if the Chief Executive, on swearing into office, has declared the first payment made to him. Nevertheless, should there be any doubt, the Chief Justice of the Court of Final Appeal should probably be the one to pursue and bring the issue up without violating the principle of confidentiality and if Mr LEUNG Chun-ying himself considers it desirable to provide supplementary information or give an explanation, it may also be necessary for him to do so.

There is however another point which I would like to raise and clarify: Unlike the respective system of declaration of interests for Legislative Council Members and Executive Council Members, under which regular or even annual updates are required to revise the information declared according to the latest situation, the declaration made by the Chief Executive to the Chief Justice of the Court of Final Appeal is one-off. Under the circumstances, although many people and colleagues are convinced that there is something fishy and dubious about the whole thing, they cannot use this as an excuse to ask for the allocation of a huge sum of public monies lightly and take advantage of the prestige of this Council to press for an investigation under the P&P Ordinance.

I have repeatedly emphasized that for any motion moved under the P&P Ordinance, including the motion moved and enthusiastically responded to in the last term of the Legislative Council to call for an investigation into the KAM

Nai-wai incident as well as the motion concerning the present case which involves a defendant only with no plaintiff or complainant, the P&P Ordinance should not be invoked recklessly to investigate into the case in question if no *prima facie* evidence can be established, no matter how fishy we regard the case is. Otherwise, not only would this Council be accused of wasting public monies and leaving its proper duties unattended to, an atmosphere of white terror would also be created to a certain extent if we exercise the investigation power of this Council too casually. It is because the public would be given an impression that as long as we consider it necessary to draw the most lofty "imperial sword" to conduct investigation, certain public officers, government departments and organizations would be intimidated or compelled to give in, thereby enabling us to obtain some sort of political advantage or achieve certain political purposes.

Deputy President, there is no lack of perverse logic or false reasoning, such as — my apology since I have no intention to pick on any individual Member but would only like to cite the examples which happen to come to my mind — an argument put forward by Dr LAM Tai-fai just now. He has queried the reasons for moving the motion "knowing that it cannot get through" but this should definitely not be a determining factor when consideration is being given to whether a motion should be moved or not. Besides, Mr LEUNG Yiu-chung has explained that an investigation should be conducted "to clear his name" but an investigative agency would never initiate any investigation to clear the name of the person involved. Neither should any prosecution action be underpinned by the objective of clearing the name of the accused or the target of the investigation. The arguments are simply ridiculous.

Legal proceedings can be instituted if there is sufficient *prima facie* evidence. Moreover, if there is other evidence which we consider adequate apart from the *prima facie* evidence, a decision should be made on whether a prosecution has to be initiated, subject to the objective and the nature of the investigation as well as the level of action and the burden of proof required. This is the attitude and the approach we should adopt. Investigation should never be carried out to clear the name of the target of the investigation, the accused and the alleged person. These words should not come from those who have the slightest idea of logical thinking and the slightest knowledge of the judicial system and procedural justice of Hong Kong.

Deputy President, as I have said earlier, although there is indeed something fishy about the case under discussion, judging from its nature, the time when it happened as well as the various principles I have mentioned just now, it seems that there is insufficient *prima facie* evidence to support the invocation of the P&P Ordinance to conduct an investigation.

Deputy President, I have finished what I would like to say but as I still have some time left, let me be prudent and check if I have missed out anything included in my mind map. It is believed that everything I would like to say has basically been covered. Therefore, Deputy President, I hope colleagues would, before taking action to move a motion under the P&P Ordinance, provide this Council with the room and the opportunity to maintain its dignity, lest this Council would be reduced to a machine operated by colleagues who are fond of stealing the spotlight to move a motion under the P&P Ordinance every week should an opportunity arise, thereby achieving their own political purposes at the expense of the debate time of this Council.

Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): Does any other Member wish to speak?

DR CHIANG LAI-WAN (in Cantonese): Deputy President, having listened to the debate yesterday and today on the motion moved by Ms Claudia MO under the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance), I really think that it is a waste of time to move the motion in a Council meeting. I also think that all accusations are groundless.

Yesterday, when I listened to the speeches of Ms Claudia MO and opposition Members, I heard them lay various allegations concerning the acceptance of advantages against Chief Executive LEUNG Chun-ying. But none of them could provide any concrete evidence, and all I heard were expressions like "I suspect", "I think", "I guess" and "based on such and such circumstances, I think this might be the case". How can they possibly accuse others like this? This morning, when Mr CHAN Chi-chuen spoke, he even said that since the Chief Executive once issued a lawyer's letter to an Australian organization, he must have done something wrong and must be guilty of having

accepted advantages. His argument is even more absurd and also an insult to all those Hong Kong people who have issued lawyer's letters before. I therefore hope that Mr CHAN Chi-chuen can withdraw his remark. If he does not do so, he must apologize to all those Hong Kong people who have issued lawyer's letters before.

Deputy President, under the law, the prosecution must not bring anyone to court until there is evidence, right? But in this Chamber today, none of the opposition Members who want to bring Chief Executive LEUNG Chun-ying to court can produce any concrete evidence. Based on nothing but just their own imagination, they now want to invoke the P&P Ordinance to put LEUNG Chun-ying on trial in front of the public. Deputy President, where is the rule of law?

Yesterday, right at the beginning of his speech, Mr Albert HO hastened to say that precisely because there was no evidence, it was necessary to put him on trial because it might be possible to find some evidence in the process. I find it very deplorable that this kind of reasoning should have come from a legal practitioner. Members have laid various allegations against Chief Executive LEUNG Chun-ying, but he has already produced the documents of different companies and given his clear responses in black and white. The open letter he issued to major mass media has also been given full coverage. Ladies and gentlemen, have you read them all?

The opposition have put forward three major accusations. First, they accuse LEUNG Chun-ying of receiving a secret payment of £4 million from UGL Limited (UGL), and they claim that both DTZ and UGL simply did not know of the agreement at the time. Come on! DTZ was the vendor and UGL was the purchaser. DTZ has already published a statement, pointing out that the Board representative of DTZ Holdings and its management, financial personnel and advisers all took part in the process, and that they were aware of the negotiations concerned. DTZ has issued a statement, clarifying that DTZ itself and its major creditor, the Royal Bank of Scotland (RBS), have been fully aware of the agreement. How can this be called a secret agreement?

There is also the allegation that LEUNG Chun-ying did not include this income of £4 million in the tax return, so he is suspected of wilful evasion of tax. Actually, people with any taxation knowledge should know very clearly that

under Hong Kong's inland revenue legislation, there are precedent cases where the compensation for a "no-compete" undertaking received under a restrictive covenant is ruled as capital receipts, which are not taxable. The rationale here is that such compensation is one-off in nature.

Besides, some people also query LEUNG Chun-ying for holding 30% of the shares of DTZ Japan through a company registered overseas, and since DTZ Japan happens to have some business dealing with Payson CHA, a shareholder of Asia Television Limited, they conclude that LEUNG Chun-ying may once again be involved in a conflict of interest. My God! Anyone having any business dealings with LEUNG Chun-ying's company — previously, in the future or even once in the past — would be dragged into an allegation concerning funnelling of benefits.

Members must realize that Chief Executive LEUNG Chun-ying has actually responded to most of the requests they put forward to him. Hence, why should they still ask for an investigation into him here today? Yesterday, some Members asserted with certainty that he was not trustworthy and so on, as if he had already been proven guilty. This is tantamount to handing down a judgment before the trial. If such incidents keep happening in Hong Kong and this very Chamber, it will be very appalling.

One day before the meeting today, several pro-establishment Members made an appointment to meet with the Chief Executive with the help of Ms Starry LEE, because everybody knew that the topic would be discussed in this meeting and would like to ascertain and clarify whether the Chief Executive had received any benefits he should not have accepted. We ourselves asked to see the Chief Executive. I do not know if Ms Claudia MO has ever asked to see the Chief Executive. I believe that if she really wants to know more about this incident, Ms LEE will surely help her make an appointment with the Chief Executive so that she can ask him questions directly. I believe that the Chief Executive will surely be willing to give her the answers. I thus hope that Members can stop acting on their auditory hallucination, imagination, illusion and delusion.

Some Members present here are themselves involved in various cases of accepting advantages and "black money" these days. Unlike the present case of the Chief Executive, those cases involving certain Members are full of witnesses and material evidence. Mr Jimmy LAI, for example, has claimed that Ms Claudia MO received \$500,000 from him. This is a witness. Should we

conduct an investigation? Hence, they must not adopt such a double standard, nor should they hand down a judgment before the trial ...

(Ms Claudia MO stood up)

MS CLAUDIA MO (in Cantonese): Point of order. I maintain that first, her accusations are irrelevant to the topic under discussion; second, they are not facts; and third, they are offensive.

DEPUTY PRESIDENT (in Cantonese): First, the President has said that the contents of Members' speeches may not necessarily be facts, and the public will know. Second, I do not think that Dr CHIANG's remarks are offensive.

DR CHIANG LAI-WAN (in Cantonese): Deputy President, about the \$500,000 which Ms Claudia MO received from Jimmy LAI ...

MR ALBERT CHAN (in Cantonese): Deputy President, the telephone next to me is ringing. Please ask staff of the Secretariat to handle it.

DEPUTY PRESIDENT (in Cantonese): Would staff of the Secretariat please bring the telephone outside the Chamber.

MR ALBERT CHAN (in Cantonese): Deputy President, too few people are here. Please do a headcount under Rule 17(2) of the Rules of Procedure.

DEPUTY PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

DEPUTY PRESIDENT (in Cantonese): Dr CHIANG Lai-wan, please continue with your speech.

DR CHIANG LAI-WAN (in Cantonese): Deputy President, since Ms Claudia MO is not pleased with my mentioning Mr LEUNG Chun-ying having given her \$500,000, I then ... (*a number of Members were talking in their seats*) No, it should be Mr Jimmy LAI. It is Mr Jimmy LAI who has given her \$500,000 ... (*a number of Members kept on talking in their seats*) Mr LEUNG Chun-ying had not given you \$500,000, and so you are not happy? — In regard to the case in which Mr Jimmy LAI has given her \$500,000, since she does not want me to mention it, I am not going to mention it now.

Deputy President, generally speaking, when Legislative Council Members propose to invoke the power of the P&P Ordinance, it is mainly based on Article 73 of the Basic Law, and it is exercising the functions and powers stipulated in item (6) to debate any issue concerning public interests. Although it seems that this incident did not happen in Hong Kong but in Australia, and it seems to be unrelated with Hong Kong, some people raise opposition and think that in the incident, the Chief Executive is suspected to have been secretly engaging in other job, and it is not a full-time job. Hence it is necessary to investigate whether he has done anything unfair to the Hong Kong people or has violated Article 47 of the Basic Law, which provides that the Chief Executive must be a person of integrity, dedicated to his or her duties.

I hope Members can refer to Section 1 of Chapter IV of the Basic Law, concerning the provisions on the work, powers and functions of the Chief Executive. I hope they can carefully examine each and every provision and check which one has been violated by him, so that we have to propose invoking the P&P Ordinance today to investigate him. As a matter of fact, I think over the past two years, not only has the Chief Executive performed his duties totally in line with the stipulations in the Basic Law, he is also dedicated to his duties. People can see that he has been very industrious during these two years indeed. Yesterday, Mr ZHANG Junsheng, former Deputy Director of the New China News Agency (Hong Kong Branch) also remarked that in dealing with the Occupy Central incident, the approach adopted by Mr LEUNG Chun-ying was very appropriate.

In fact, the contract signed between the UGL and Mr LEUNG Chun-ying is a termination agreement. However, those against him insist that it is not true and think that this is a consultancy agreement. I have carefully read through the contents of the agreement. If this is really an employment agreement, it should contain the scope of work and some special items. Nonetheless, these provisions clearly do not exist in the agreement. In the contract, not even the word "consultant" has been used. It just says giving "advice" on certain matters. The word "advice" is in fact a very common word.

Members also have to see clearly that Mr LEUNG Chun-ying would only need to give advice under two conditions. First, it was under a so-called "reasonable" condition. That means he would only give advice if he thought that this request for advice was raised under a "reasonable" condition. Besides, he could only give advice to UGL under the condition devoid of any clash of interests. If this was really a job as other people say, after receiving £4 million from UGL, Mr LEUNG Chun-ying could, under the condition when there was no official office hour and no scope of work, decide whether he would give advice or not at his own will. Is that too good to be true? If there is such an excellent job, could you rather recommend me for the position? Is that right?

(Mr Gary FAN stood up)

MR GARY FAN (in Cantonese): Deputy President, point of order. In Dr CHIANG Lai-wan's speech, she criticized the speeches of other Members as being pathetic and dreadful. However, I reckon that the most pathetic and dreadful thing in this Legislative Session is to have Dr CHIANG Lai-wan ...

DR CHIANG LAI-WAN (in Cantonese): Deputy President, pursuant to which rule in the Rules of Procedure did he raise this point of order?

DEPUTY PRESIDENT (in Cantonese): Mr FAN, what you raise is not a point of order. Please sit down.

MR GARY FAN (in Cantonese): Deputy President, I raise a point of order. In fact, the most pathetic and dreadful thing is to have Dr CHIANG Lai-wan as my colleague in this Legislative Session. Therefore, I request a headcount from the Deputy President according to Rule 17(2) of the Rules of Procedure.

DEPUTY PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(While the summoning bell was ringing, Mr Albert CHAN vociferated in his seat)

DEPUTY PRESIDENT (in Cantonese): Mr Albert CHAN, please do not vociferate recklessly in your seat.

(Mr Gary FAN was speaking in his seat)

DEPUTY PRESIDENT (in Cantonese): Mr Gary FAN, I have just reminded Mr Albert CHAN. I have to remind you now. Without my permission, please do not speak recklessly in your seat.

(Mr Gary FAN continued to speak loudly in his seat)

DEPUTY PRESIDENT (in Cantonese): Mr Gary FAN, please do not speak recklessly in your seat. Although I cannot hear what you say, I can hear that you are speaking. Please do not continue speaking in your seat. Otherwise, I will regard you as behaving in a disorderly manner.

(Mr Albert CHAN stood up)

MR ALBERT CHAN (in Cantonese): Deputy President, you just said that you could not hear Mr WONG Ting-kwong speaking. Could you please listen to the audio tape recording and check whether Mr WONG Ting-kwong was speaking earlier or not?

(Mr IP Kwok-him stood up)

MR IP KWOK-HIM (in Cantonese): Deputy President, a point of order. When Mr Gary FAN requested a headcount according to a rule, he made some remarks before the request. I remember the President has especially reminded and warned Members that when requesting for a headcount, they should not raise any collateral conditions. Could the Deputy President please make a ruling.

DEPUTY PRESIDENT (in Cantonese): All right. I will handle the situation.

(While the summoning bell was ringing, THE PRESIDENT resumed the Chair)

(After the summoning bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): Dr CHIANG Lai-wan, please continue with your speech.

DR CHIANG LAI-WAN (in Cantonese): President, ever since I called Mr Gary FAN as "super opportunist", he has shown dislike of me. But this is no big deal, and I will still forgive him. He said that he still had to work with me for two more years and it was both pathetic and dreadful. There is no other alternative still. We both have to endure for two more years. Of course, if he resigns tomorrow, that will be another issue.

President, in fact, the Chief Executive and UGL have issued their respective declarations that during the past two years, the Chief Executive C Y LEUNG had not provided any service. In order to show his innocence, Chief Executive C Y LEUNG even takes the case to the Department of Justice for investigation by the Director of Public Prosecutions. Then, why is the Member still moving a motion today to request invoking the P&P Ordinance? From past documents, I find that this Council has moved 20 motions on invoking the P&P Ordinance since 2012, and a majority of them are directly or indirectly related to Chief Executive LEUNG Chun-ying. Judging from this, we see that the issue has in fact already developed into a stage when they only pinpoint individuals without regarding the facts. Spending the time of the Legislative Council in this

kind of debates is a waste of public money indeed. Hence, for the sake of Hong Kong, I hope that Members from the opposition camp can repent before it is too late.

President, I oppose Ms Claudia MO for moving a motion to invoke the P&P Ordinance. I so submit. Thank you, President.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR LEUNG KWOK-HUNG (in Cantonese): President, the Chinese are a people with many lofty sentiments. One such sentiment is the sadness and regret of not having met the right people earlier in life. Dr CHIANG Lai-wan is an apt example of a person with this sentiment. I must say: "Filthy as 'CY the Wolf' is, 'YUAN Cau' still regrets not having met him earlier in life". This is no nonsense. I am going to prove the filthiness of LEUNG Chun-ying.

Let me begin with one point. When I was smoking outside just now, I came across a young fellow, and he asked me to bring this prop inside here to let Members have a look. President, do you have presbyopia? This is the hybrid of LEUNG Chun-ying and Mrs Regina IP. Just look at his nevus and "broom-head" hairstyle. Honourable Members, this hybrid, though ugly, actually conveys one message: a rotten system will cause personality fusion or mutation. I shall explain in detail. Actually, what we are discussing today ... Dr CHIANG Lai-wan, or "YUAN Cau", was correct when she said, "Hey, they have over and over again talked about investigating and impeaching LEUNG Chun-ying. Over the past two years only, they have talked about this ...". She asked whether the answer was 20 times. She said we had said so 20 times. In fact, I have never done any counting at all. TUNG Chee-hwa was a bad guy, right? "Greedy TSANG" was even worse, as he was involved in "sea, land and air" corruption. As for LEUNG Chun-ying, even before he assumed office, he already came under many criticisms in connection with the West Kowloon Cultural District project. Actually, at that time, though he knew that he was wrong, he likewise resorted to the same "magical trick", saying that he had not violated any law.

President, this is actually a plebeian tactic typically employed by those errant common masses who dread the punishment of the law, right? All is

because they know that the consequence of breaking the law may be imprisonment, and I myself was imprisoned before. But should a politician use the law as the only yardstick to assess his own acts? "YUAN Cau", we are talking about the Chief Executive, a very powerful person of unique status who represents Hong Kong. He keeps saying that he has not broken any law, but he is just like all those street rascals who say to a policeman, "Sir, I haven't broken any law. I only gave him a very light push, and that was all because he charged at me in the very first place." Can you see what I mean? The "blue-ribbon" people repeatedly said so as well. They claimed that they had done nothing wrong as they only wanted to remove the barricades, and the trouble was instead caused by those opponents who ran over to push and beat them.

Many people in society behave like this. But who is LEUNG Chun-ying? He is a dynastic official appointed by the Central Authorities to represent Hong Kong. And, in the UGL incident, the most important thing was ... Actually, I should begin by saying that when we suspected him of digging a hole into the ground and thus cast doubt on his integrity — I must point out that this was exactly what he said — he refused to tell us any details of the matter, saying only that people would know the truth after the judicial review. Then, after the judicial review, we all learnt that he did dig a hole into the ground. We realized that when he pointed an accusing finger at another person, his remaining four fingers were pointing accusingly at himself as well. Besides, he himself has also proved the truth of what Henry TANG said during the election. At that time, when questioned whether he had ever advocated the deployment of anti-riot squads and the use of tear bombs, he replied in the negative. Well, I would say that LEUNG Chun-ying is in a way very brave because he has fulfilled his undertaking to the communists. He undertook that should anything happen, he would use tear bombs and deploy anti-riot squads. He has really done so, and this is certainly a reason for his "ascendancy".

After his "ascendancy", when we continued to point out that he had dug a hole into the ground, he argued in response that he had only told a lie and had not broken any law. He even asked us why his lie should have anything to do with us at all. Well, in the incident now under discussion, he might really have broken the law. The reason is that the UGL incident simply involves his having cheated the small shareholders, an act typical of street rascals. President, he pocketed £400. Not this sum ... ? It was £4 million. Yes, it was £4 million. The sum I mentioned is much smaller. £4 million is such a big sum of money.

They say that Jimmy LAI donated \$500,000 to the League of Social Democrats and remitted the money to my account. I am also going to face investigation. Mr TAM Yiu-chung and "YUAN Cau" both say that I must be investigated, don't they? My dear brother, he has pocketed \$50 million in this case. And, no one knew of this until the act was brought to light. My dear brother ...

PRESIDENT (in Cantonese): Mr LEUNG, please address the Chair instead of speaking to your brother.

MR LEUNG KWOK-HUNG (in Cantonese): Yes, yes. President, my brother already passed away when he was very small.

President, the "brothers" over there have been shouting, saying that we must be investigated. Just let them do so. Has anyone stopped them from doing so anyway? But the problem now is that the acts of LEUNG Chun-ying overseas have led us to suspect him of dereliction of duty and corruption. But the "brothers" and "sisters" over there all say that he has already offered an explanation, so the truth must be very clear. President, has he really offered any explanation? Did he ask you to attend that very meeting to listen to his explanation? The answer is no. You are the very person responsible for monitoring him. Every time he comes, you will stand at the doorway to usher him in, and when he leaves, you will see him out. You are responsible for monitoring him on behalf of the Legislative Council, right? You claim that you are impartial, and I believe that you indeed are. After talking to these five guys, he now says that he has offered an explanation. But these five guys were never given any concrete evidence. There was no audio-recording of the meeting. And, they have done nothing except saying a few simple words afterwards. President, I can bet with my own head that if the words of these five guys are ever questioned by anyone in the future, LEUNG Chun-ying will surely deny having said so and so, will certainly say that his conversations with them are open to many interpretations, so they should be blamed for their erroneous interpretation. This is his magical trick. He asked some guys to meet with him, but there was no audio-recording, nor was there any note-taking. Then, all these guys simply stood forward to say different things, and then went on to say that the Chief Executive had already offered an explanation. My dear brother ... my dear President, how can this be acceptable? Even if we accept this practice, we would still think that the one to be invited to the meeting should be you, my dear

President, because you are so very impartial up there. In contrast, these guys all have partisan interests at stake. My dear brother, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) is unanimously supportive of LEUNG Chun-ying, and there is also the question of subsequent political reward. How can we accept any meeting where these guys were the only participants?

President, there is one more point. Why doesn't he have a meeting with the Chief Justice? Chief Justice Andrew LI is responsible for monitoring his accounts. If he wants to offer any explanation, the first person he should approach must be the Chief Justice. I have said many times, and I have also told LEUNG Chun-ying when asking him questions here, that I do not trust him. I always say that I do not trust him, but I also think that he can show the Chief Justice all his books and accounts. President, sadly, the situation is not like this now. You are monitoring him, and so is the Chief Justice, because there is the separation of powers in Hong Kong. But then, the Judiciary is also worried that in the course of monitoring the Chief Executive, the Legislative Council may behave like the American Congress — both the Senate and the House of Representatives are adversarial to the President. Well, in that case, the Chief Justice should handle the matter. Why doesn't LEUNG Chun-ying offer an explanation to the Chief Justice? "YUAN Cau", why doesn't he do so? Why has he given an explanation to you only?

President, there is hence one problem, and I want to make an appeal here today. I do not know whether Mr Andrew LI is watching the live television broadcast of this meeting. I call upon him to carry out an investigation into LEUNG Chun-ying because he is obligated to make a declaration. If we impeach him, we will have to invoke Article 79(3) of the Basic Law, and under this provision, a retired Chief Justice of the Court of Final Appeal will be responsible for the hearings and investigation. Therefore, the right person must be asked to resolve this whole incident. Why should LEUNG Chun-ying show that agreement only to his dishonest "friends"? This is simply outrageous. LEUNG Chun-ying, you must not be so LEUNG Chun-ying in your acts, though this is your exclusive right, right?

President, we should ask the Commissioner of the Independent Commission Against Corruption one question. Suppose we look at this incident just as an ordinary case ... Generally speaking, if an ordinary citizen does something similar to the acts of LEUNG Chun-ying, will he commit an offence? And, will the Commissioner of the Independent Commission Against Corruption

investigate his acts? If not, why? If it turns out that no investigation can be possible, then the present system should be amended.

I wrote a poem during my imprisonment because when Mr WONG Yuk-man threw something at LEUNG Chun-ying that day, LEUNG said he was scared. LEUNG Chun-ying was so smart, as he was able to see the past and also the future. After Mr WONG Yuk-man had thrown something at him, he picked up the shattered glass with a trembling hand, remarking that he was scared. He was really smart, as he could foretell that one day three months later, he would be investigated for reasons of corruption. He refused to explain anything to us on the ground that he was scared.

Last time when he was in the Legislative Council, he said that the order in the Chamber was very poor. But have all the pro-establishment Members ever been hurt even in the slightest bit? The answer is no. Are pro-establishment Members protected by G4? The answer is no. I believe the answer is no. In contrast, LEUNG Chun-ying is protected by G4. When anyone throws anything at him, G4 personnel will cover him. If any person wants to assault him, G4 personnel will hasten to tackle the person before he acts. So, how can LEUNG Chun-ying still use security concern as an excuse? The greatest security problem is perhaps his own Freudian slip when answering our questions here. I therefore wrote a poem that day for the purpose of showing support for Mr WONG Yuk-man. But I am not sure whether he is aware of this poem: "LEUNG the Crook usurps the throne/Chun-ying flying up and high with a pack of lies/Must have fawned on CCP since England days of yore/Step of frustrated crawler flattery was/Down to empty talks up on stage/To be an opportunist evermore/Assuage not the pain of those at his mercy/People's fury flies/Resentment and glass flinging are thus no surprise." This means that Mr WONG Yuk-man's throwing of an object at him was actually no surprise. The title of this poem is "LEUNG Chun-ying must step down to assuage people's resentment". Dr LAM Tai-fai, do you know what an acrostic is?

DR LAM TAI-FAI (in Cantonese): Full of pronunciation errors.

MR LEUNG KWOK-HUNG (in Cantonese): Even the President has not pointed out any mistakes, so how dare you do so? You are wasting your time. The President is a "walking dictionary", you know.

"LEUNG Chun-ying must step down to assuage people's resentment". President, if he does not step down, we must keep doing these things to him because he keeps refusing to offer any explanation. I therefore think that he is the worst of the three successive Chief Executives. He should resign. Mr James TIEN asked him to resign, and he was thus disqualified as member of the National Committee of the Chinese People's Political Consultative Conference. But, sorry, I am not scared because I do not hold this post. I was elected by Hong Kong people, and today, I demand LEUNG Chun-ying's prompt resignation. You regret having met him too late in life, do you? Poor you.

President, our system has gone wrong. We have seen a constant deterioration from one Chief Executive to the next. Let me take out all the props I have here. See, he is just like this thing. Last year, he did not dare to attend the dragon boat races on Tuen Ng Festival because he was afraid of catcalls. My dear brother, I called him "a vice dumpling" that day. This is the "vice dumpling" I made, also called "LEUNG Chun-ying the Vice Dumpling". Initially, I wanted to ask QU Yuen to bear with this, but later I told myself that I should not do so because this "vice dumpling" was highly toxic and QU Yuen would be in great trouble if he happened to eat it. I therefore decided to get rid of this "LEUNG Chun-ying the Vice Dumpling".

Also, birds of the same feathers flock together, you know, "YUAN Cau". This is Barry CHEUNG, and he symbolizes the beginning of LEUNG Chun-ying's corruption. Barry CHEUNG is just like LEUNG. He set up a company but did not have any money to sustain its operation. But LEUNG Chun-ying still wanted him to stay on for several more years as Chairman of the Urban Renewal Authority, and he resigned only when the situation got really very bad for him. Hence, we should get rid of this "vice dumpling".

(Mr LEUNG Kwok-hung threw the rice dumpling onto the floor)

President, how will our system look like? Let us look at this thing here. If we accept the decision of the National People's Congress, we will probably see a contest between LEUNG Chun-ying and Mrs Regina IP in the next Chief Executive Election. There will be a hybrid of LEUNG Chun-ying and Mrs Regina IP. I guess "YUAN Cau" may also become part of a hybrid that combines the strengths of two.

President, I hope LEUNG Chun-ying can step down as early as possible, so as not to hinder the rotation of Planet Earth. *(The buzzer sounded)*

PRESIDENT (in Cantonese): Mr LEUNG, your speaking time is up.

MR LEUNG KWOK-HUNG (in Cantonese): You are angry? I give this to you. It is the hybrid of LEUNG Chun-ying and Mrs Regina IP ...

PRESIDENT (in Cantonese): Mr LEUNG, please stop speaking immediately and sit down. Does any other Member wish to speak?

DR CHIANG LAI-WAN (in Cantonese): I would like to ask the President a question. Just now Mr LEUNG Kwok-hung mentioned a number of times in his speech ... sometimes he said something about Dr CHIANG Lai-wan, and sometimes he said something about "YUAN Cau". Given that the press has nicknamed me "YUAN Cau", may I rebuke him and tell him he should not say such things about me? "YUAN Cau" is my nickname, may I respond under this name?

PRESIDENT (in Cantonese): Dr CHIANG, if you consider that the content of the speech delivered by a Member is in violation of the Rules of Procedure, you may point that out to me. If you consider that the relevant Member should clarify the content of the speech delivered, you may also make such a request. Now, what is your question?

DR CHIANG LAI-WAN (in Cantonese): There are so many questions that I cannot raise them all. I will not pursue any more, as I do not want to waste Members' time.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(Some Members criticized Dr CHIANG Lai-wan loudly in their seats)

PRESIDENT (in Cantonese): Members please refrain from shouting loudly in their seats.

(Dr CHIANG Lai-wan spoke loudly in her seat in retort to the Members criticizing her)

PRESIDENT (in Cantonese): Dr CHIANG Lai-wan, please stop talking.

(Dr CHIANG Lai-wan continued to speak loudly in her seat in retort to the Members criticizing her)

PRESIDENT (in Cantonese): Dr CHIANG Lai-wan, please stop talking. I know many people will consider what I am going to say a joke. Honourable Members, please be reminded that this is the Chamber of the Legislative Council, and we have said that we should safeguard the dignity of the Council.

Does any other Member wish to speak?

MR WONG KWOK-HING (in Cantonese): President, with regard to Ms Claudia MO's motion moved today under the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to investigate Mr LEUNG Chun-ying, the Chief Executive, a well-founded reply to the queries raised has in fact been given justly, forcefully and righteously by Carrie LAM, the Chief Secretary for Administration, in her opening remarks yesterday. Moreover, the Chief Secretary has also reiterated that on many past occasions in this Council, responses have already been made to the smearing of this sort by Members of the pan-democratic camp. We cannot help but ask: How come such earnest words have fallen on deaf ears?

I wonder why, with solicitors and barristers, accountants, experienced political figures in the pan-democratic camp, they have to turn a deaf ear to the responses given by the Chief Secretary for Administration. Why do they behave in this way? I believe everyone in Hong Kong would like to know the answer.

President, their actions have corresponded exactly with one of the 12 tactics employed by the United States to subvert the government of enemy

countries or places and that is, with excuses given instead of evidence, there will be every reason to denounce the political leaders of target places. Such excuses as corruption, collusion between the business sector and the Government are all given with words alone without justification and explanation. What we witness now is just the same.

As the second person in command of the SAR Government, the Chief Secretary Carrie LAM has forcefully elaborated and explained the case and I think she has unmistakably put the matter beyond doubt. However, Members of the pan-democratic camp have done nothing else other than smearing and denouncing the Chief Executive, with the sole purpose of overthrowing LEUNG Chun-ying and overturning the Government of the current term. It is just that simple.

Justice have already been upheld by many colleagues through the speeches they delivered earlier and yesterday. Discerning analysis has been made by Ms Starry LEE as a certified public accountant and there should be nothing to add. Mr Christopher CHEUNG, as a forerunner in the financial sector, has also clearly elaborated the issues involved in a professional manner and there is nothing to add either, since all the facts and truth are already there. The question is: Why do Members in the opposition camp still hold the attitude of pounding a "drowning dog" and resort to smearing without going into the how's and why's, differentiating the right and wrong and worse still, even by calling a stag a horse as well as confusing right and wrong?

President, in order to have the question answered, I would like to look in retrospect from a macro perspective at what has actually happened in this Council since the beginning of the current term in October 2012.

President, Mr LEUNG Chun-ying took the Oath of the Chief Executive on 1 July 2012 and since then, according to my own statistics, nine motions have been moved at Council meetings in the current term to impeach, cast a vote of no confidence in and even investigate Mr LEUNG for the purpose of overthrowing him. Mr WU Chi-wai of the Democratic Party took the lead to move a motion of no confidence in the Chief Executive on 12 December 2012, followed by a motion moved by Mr LEE Cheuk-yan of the Labour Party to call for an investigation under the P&P Ordinance on 19 December 2012.

Five motions of this sort have been moved in 2013, namely the motion initiated jointly by 27 Members of the pan-democratic camp on 9 January 2013 to urge for the formation of an independent investigation committee to impeach the Chief Executive; the motion which once again sought to invoke the P&P Ordinance moved by Ms Cyd HO of the Labour Party on 20 February; the motion not intended to have legislative effect moved by Mr SIN Chung-kai on 3 July on behalf of the Democratic Party with the same purpose of asking LEUNG Chun-ying to step down; the motion of no confidence in LEUNG Chun-ying moved by Dr KWOK Ka-ki of the Civic Party on 16 October; and again another motion of no confidence in the Chief Executive moved later on 6 November by Mr James TO of the Democratic Party. A total of five motions of this sort have been moved in 2013.

Regarding the situation this year, an undeclared war was started in the first half of the year to initiate the non-co-operation movement and filibuster across the board. As a result, over 20 funding applications were affected, with \$1 billion of taxpayers' money wasted. The provision of living subsidy for low-income households cannot be implemented; the proposal concerning civil service pay adjustment is put on hold and the delay has deprived government contract staff of their back-pay, thus causing them a huge loss. Today, not long after the beginning of the current Legislative Session, a motion which seek to invoke the P&P Ordinance is moved again to make LEUNG Chun-ying step down.

President, from a macro perspective, since the beginning of the current term of the Legislative Council in October 2012, the pan-democratic camp, which is in disagreement with LEUNG Chun-ying in this Council, is actually an "alliance of causing hardship to the people". Instead of an opposition camp, they are in fact trying to cause hardship to the people by moving a total of nine motions of a similar nature — two motions to cast a vote of no confidence in the Chief Executive; one motion of impeachment; four motions to invoke the P&P Ordinance, and these are all that they have done. Therefore, from a macro point of view, it is clear to us that the motion moved by Ms Claudia MO today on behalf of the Civic Party to invoke the P&P Ordinance is nothing but one of the nine "lousy chess games" or "lousy tactics" they played in the current term of the Legislative Council as mentioned above, and this is the overall situation at present. This is precisely how the "alliance of causing hardship to the people" and the various political forces against the SAR Government outside this Council echo and complement with each other to create a situation like this. We would then like to ask: How come they can call a stag a horse in this way? A stag

should be a stag and a horse should remain a horse but how come they can talk black into white and turn white into black?

President, I would like to raise the third issue and try to analyse and elaborate on the underlying reasons for this. What they have been doing since 2012 is actually a duty fulfilled for the financial contributions offered to them directly and indirectly by the "Yankees" behind the scenes. The details have been disclosed in the book entitled 《泛民收錢實錄》 (*A Record of the Pan-democrats on the Take*) which I have repeatedly mentioned and these are also facts admitted by Jimmy LAI. Facts uncovered in the book are supported by receipts, emails, correspondence and they can brook no denial as everything has been put down in black and white. Eight payments with a sum of \$14 million have been made in 2012; a total amount of \$14.1 million has been received for the 12 payments made in 2013; and in 2014, it has been disclosed that six payments have been made so far, involving a total amount of \$12.7 million. I consider it necessary to read out the details here in order to set the record straight.

In 2012, Tanya CHAN, Ms Claudia MO and Mr James TO has respectively received \$500,000; \$3 million has been paid to Joseph ZEN; a total amount of \$9.5 million has been offered to four political parties and a sum of \$14 million is involved in these eight payments, excluding the advertising expenses for the election campaign of the team led by Audrey EU.

In 2013, Joseph ZEN has received \$3 million; \$300,000 has been paid to Martin LEE; two payments with the respective amounts of \$300,000 and \$200,000 have been made to Anson CHAN; Joseph CHENG and Mr Alan LEONG has respectively been offered \$300,000; Mr LEE Cheuk-yan and Mr LEUNG Kwok-hung has respectively received \$500,000; CHU Yiu-ming has been paid \$200,000; \$5 million has been offered to the Democratic Party; the Civic Party has been given \$3 million; \$500,000 has been paid to Hong Kong Democratic Development Network and a sum of \$14.1 million is involved in these 12 payments.

In 2014, six payments have so far been made to give away a sum of \$12.7 million, with \$3 million to Anson CHAN; \$200,000 to CHU Yiu-ming; \$5 million to the Democratic Party; \$3 million to the Civic Party; \$500,000 to Mr LEUNG Kwok-hung and \$1 million to Mr LEE Cheuk-yan. President, the amount of payments involved each year is over \$10 million, and the contribution

of \$13 million to Mr LEE Cheuk-yan of the Hong Kong Confederation of Trade Unions uncovered earlier is not yet included in the sum mentioned.

President, this is an unprecedented scandal in the current term of the Legislative Council. Why should this Council try by all possible means to overturn the Government of the current term and smear the reputation of LEUNG Chun-ying? Why should four motions be unprecedentedly moved to invoke the P&P Ordinance, two to cast a vote of no confidence and one to impeach the Chief Executive? The reason is very simple: They have to do the job that they are paid for. Since they have been paid, they have to fulfil the requirements of the secret agreement and sacrifice the interests of Hong Kong people.

President, as the President of the current term of the Legislative Council, do you feel sad for the decay? Does it make your heart ache? Do you agree that they have let Hong Kong people down by doing so? Although the allegations are supported by receipts, emails, correspondence, it is said that no investigation is required and they have made no response either.

President, as you may recall, before five urgent questions were raised at the first Council meeting of the current session, I have asked the Members concerned to declare their interests but to no avail. During discussions on several occasions, I have asked for a reply from these Members three times and urged them to clearly explain if they have received the money as alleged. I have used the word "challenge" openly when raising my queries but they have chosen to avoid my questions because they really are up to something and do have something to hide. This is the reason why Ms Claudia MO has to make the ninth attempt in the current term of the Legislative Council to denounce LEUNG Chun-ying.

By taking such actions in this Chamber, they are actually working in collusion with the occupying action which is underway outside. As I mentioned last time, an elaboration on the argument has already been given in the book and I will not repeat. In Chapter 11 of the book, it is revealed that Jimmy LAI has already admitted but these Members still shamelessly deny. In what position can these Members query the integrity of LEUNG Chun-ying? Their queries can only serve to prove that they have to perform the duty of overturning the Government of the current term (*The buzzer sounded*) ... and overthrowing LEUNG Chun-ying.

PRESIDENT (in Cantonese): Mr WONG, speaking time is up. Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Chief Secretary for Administration to speak.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, yesterday Chief Secretary for Administration Carrie LAM listened to the speeches delivered by 15 Members, and just now I have also listened carefully to the speeches delivered by another nine Members. Let me put it in a straight-forward manner. The arguments put forward by Members to propose or support invoking the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to set up a select committee to inquire into matters relating to the resignation agreement between Mr LEUNG Chun-ying and UGL Limited (UGL) is too farfetched and weak. In their speeches, several pan-democratic Members have deliberately tried to mislead the public about some important points which had already been clarified time and again. Hence, before I respond to the queries and allegations raised by these Members, let me first recap the sequence of this incident to make the truth straight.

Mr LEUNG Chun-ying was the Asia Pacific Director of DTZ before he stood for the Chief Executive election. He announced his resignation from the post of Director and other offices he held in DTZ on 24 November 2011. In view of his resignation, UGL, which was at that time trying to acquire DTZ, concluded with Mr LEUNG a resignation agreement on 2 December 2011. Under the agreement, UGL undertook to make payments to Mr LEUNG over a two-year period and to underwrite for DTZ the payment of outstanding agreed bonus to Mr LEUNG, subject to key personnel remaining with DTZ during the two years subsequent to Mr LEUNG's resignation. As pointed out by UGL, the agreement was simply a non-compete arrangement which was to ensure that Mr LEUNG would not move to a competitor, set up or promote any business in competition with DTZ, or poach any people from DTZ, and hence to ensure that the business would retain its value after the acquisition by UGL. Such agreement was a confidential commercial arrangement and a standard business practice.

As seen from the above, it is evident that the agreement and payments concerned arose from Mr LEUNG's resignation from DTZ, and not for any future service to be provided by him. Besides, as confirmed in UGL's public statement, Mr LEUNG has not provided any service to UGL after signing the resignation agreement.

Regarding the declaration requirement, under the current system of declaration of interests by Members of the Executive Council, there is no requirement for Mr LEUNG to declare the said resignation agreement. Moreover, both Mr LEUNG's resignation from DTZ and conclusion of the resignation agreement with UGL took place before he was elected as the Chief Executive, and at the material time, he had already resigned from the Executive Council.

Article 47 of the Basic Law stipulates that the Chief Executive, on assuming office, shall declare his or her assets to the Chief Justice of the Court of Final Appeal of the Hong Kong Special Administrative Region, and that this declaration shall be put on record. On assuming office, Mr LEUNG made such declaration to the Chief Justice of the Court of Final Appeal in accordance with the Basic Law. The term "assets" is not specifically defined under the Basic Law. Hence, the Chief Secretary for Administration has not made any definition regarding the term "assets" when answering Members' oral questions earlier on. The relevant declaration is confidential.

Upon assuming office as Chief Executive, Mr LEUNG has, as President of the Executive Council, observed the system of declaration of interests for Executive Council Members, including the requirement for regular declarations. The Chief Executive has declared his registrable interests annually for public inspection. He has also made declarations on his financial interests annually on a confidential basis deposited with the Clerk to the Executive Council. As with other Executive Council Members, the Chief Executive would notify the Clerk to the Executive Council of any changes to the interests declared in accordance with the system.

I now make a consolidated reply to the allegations raised by Members in support of the motion.

Some Members have alleged that as the Chief Executive was still benefiting from the agreement signed with UGL, he had to keep on providing services for the company. Some of these Members even accused him of dereliction of duty. This is a very serious accusation, yet it is totally fabricated and not supported by any facts. The fact is that the resignation agreement signed between Mr LEUNG and UGL on 2 December 2011 was simply a non-compete arrangement between UGL and Mr LEUNG, whereby UGL would pay a total of £4 million to Mr LEUNG over a two-year period, subject to key personnel remaining with DTZ during the two years subsequent to Mr LEUNG's resignation. Of the said total sum of payment, £2 million was paid to ensure that Mr LEUNG would not be in competition with UGL, and another £2 million was the compensation for his undertaking not to poach employees. The relevant non-compete and non-poach agreement terms have expired by now.

Some Members also said that upon assuming office as Chief Executive, Mr LEUNG should cancel the said resignation agreement or the agreement would give rise to conflict of interest. I need to point out that under the agreement, Mr LEUNG would provide assistance for UGL only when such assistance does not create any conflict of interest. As Mr LEUNG was subsequently elected as the Chief Executive, he would not and should not provide such assistance for UGL. Indeed, as pointed out in UGL's public statement, Mr LEUNG has never provided any assistance for the company after the agreement was signed, and it is therefore not necessary to cancel the agreement.

(Mr Albert HO stood up)

MR ALBERT HO (in Cantonese): May I ask the Chief Secretary for Administration to clarify his speech here? I wonder if the Chief Secretary will accede to this request.

PRESIDENT (in Cantonese): Secretary, do you agree to make clarifications on Mr Albert HO's request?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Which part does he want me to clarify?

MR ALBERT HO (in Cantonese): While the Chief Secretary for Administration keeps saying that LEUNG Chun-ying has never provided any assistance, the said agreement has two main points, one of which is about the non-compete undertaking, and the other one is about the undertaking to act as adviser or referee. In regard to these aspects, the Chief Secretary may say that he has never provided any service. However, the agreement actually has a third main point, which is that he will not object to the relevant acquisition. In other words, his refraining from objecting to or criticizing the said acquisition should be counted as provision of service. I would like to ask the Chief Secretary: Has he refrained from objecting to or criticizing the said acquisition, and can this be regarded as provision of service under the relevant agreement?

PRESIDENT (in Cantonese): Chief Secretary for Administration, please continue with your speech.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I wish to continue with my speech first, as this part is about the general picture. I will give a comprehensive account of the matter to Members later on.

Regarding the matters relating to Mr LEUNG holding the shares of DTZ, he has already transferred his shares of DTZ Holdings plc and its subsidiaries to a trust, and the trustee of the trust is a practising accountant. The Chief Executive has already declared the relevant interest in accordance with the Executive Council's system of declaration of interests, and the relevant declaration has been uploaded to the website of the Executive Council.

Several Members quoted the query raised by overseas media which claimed that a state-owned enterprise from Tianjin was also interested in purchasing DTZ and offered an acquisition price higher than that of UGL, but DTZ eventually sold its businesses to UGL. As a matter of fact, the decision to sell DTZ was made by the company's board of directors. Mr LEUNG resigned from the post of Director of DTZ on 24 November 2011 with immediate effect. The company decided in December of the same year to sell its businesses to UGL, by then Mr LEUNG was not the company's director any more. On the other hand, according to the reports of some overseas media, one possible factor accounting for the decision of DTZ's board of directors was that in the board's opinion, it would take eight weeks to complete the acquisition proposal in which a higher price was offered, and the consent of the bidder's shareholders was

required. As the risk involved would be comparatively higher, they turned down the relevant acquisition proposal.

Apart from that, some Members considered the relevant agree a "secret contract" which was detrimental to the interests of the small shareholders of the relevant company, and therefore they accused Mr LEUNG of violating the integrity requirement and even suspected him of breaching the legislation on prevention of bribery. These are extremely serious accusations, and yet they are not substantiated by any specific evidence. As pointed out by UGL in its public statement dated 9 October, and let me read out the content (I quote): "The vendor, the Royal Bank of Scotland, and their advisors were fully aware of UGL's intention to enter into an arrangement with Mr LEUNG and DTZ Holdings Plc played a significant role in initiating and negotiating those terms with Mr LEUNG."(unquote)

Some Members have queried whether the Chief Executive has paid tax for the payments paid to him by UGL in accordance with the requirements under the relevant legislation. According to the agreement between Mr LEUNG and UGL, UGL will make payments to Mr LEUNG over a two-year period and underwrite for DTZ the payment of outstanding agreed bonus to Mr LEUNG. Last year, Mr LEUNG sought advice from a practising accountant on the need or otherwise for him to pay salaries tax in respect of the aforesaid payments, and the accountant's professional advice was that under the relevant provision of Hong Kong's Inland Revenue Ordinance, salaries tax was applicable to income arising in or derived from Hong Kong from any employment, as well as the pension so derived. As such, Mr LEUNG did not have to pay salaries tax for the relevant payments. As regards the bonus concerned, he had to pay salaries tax in accordance with the aforesaid requirement. Mr LEUNG has already made the relevant tax payment accordingly.

Several Members made mention of a lawyer's letter sent by the Chief Executive to an Australian journalist. I wish to point out that Mr LEUNG always respects the freedom of the press. However, a journalist of the Fairfax Media Group in Australia made an accusation in an email sent on 6 October to the Chief Executive's Office which read, (I quote): " It appears to us that this is analogous to the transaction that has landed Rafael HUI in court, i.e. it is a bribe in exchange for Mr LEUNG leveraging his official connections."(unquote) Given the seriousness of the aforesaid accusation, it must be taken solemnly, and that is why Mr LEUNG decides to refer the email to lawyers for actions.

All in all, as pointed out by some Members, the resignation agreement signed between Mr LEUNG and UGL is indeed a very common commercial arrangement made to safeguard the interests of the buyer in the process of business acquisition. The commentaries of some newspapers have also pointed out that such kind of resignation agreement is a very common term in agreements relating to business acquisition or amalgamation, and they would feel surprised if this is absent. Moreover, as the agreement had been signed before Mr LEUNG was elected Chief Executive, it should have nothing to do with Mr LEUNG's performance of his public duties. As the Chief Executive has observed the relevant declaration requirements under the Basic Law and those of the Executive Council, I really can see no reason for the P&P Ordinance to be invoked to form a select committee to inquire into the matter concerned.

With regard to the comments and criticisms made by the Legislative Council about the Government or individual public officers, President, so long as the comments or criticisms are based on facts and constructive, both the Chief Executive and the Government, being pragmatic and people-oriented, will certainly listen modestly and take them into careful consideration. Nevertheless, if the comments and criticisms are but some farfetched analogies magnified and exaggerated indefinitely to attack the credibility of governance of the Chief Executive or even the Government as a whole, the relevant Members are indeed wasting the valuable time and resources of this Council and failing to live up to the expectations of the general public.

At present, Hong Kong is faced with a number of urgent and important issues. The Occupy Central movement has not yet come to an end, and the incident is impacting gravely and negatively on our society, people's livelihood, the economy and rule of law, although it will take time for the impacts to be felt one after another. On the other hand, we have many issues waiting to be addressed in such fields as land and housing, elderly community, support for the poor and the weak, economic development, as well environmental protection and conservation. I deeply believe it is the hope of the general public that the Legislative Council and the Government can joint efforts and collaborate closely to tackle the urgent tasks, do practical work, and strive for the welfare of the people.

Under the leadership of the Chief Executive, the Government has been putting in its best effort to prevent the adverse impacts of the Occupy Central movement from deteriorating and to enable the community to resume normal

expeditiously. On the other hand, we have also been working industriously to strive for the passage of the various proposals that are beneficial to the development of Hong Kong. Some examples in this connection are the proposal to establish the Innovation and Technology Bureau which was passed by the Council last Wednesday, and the 10-odd funding proposals awaiting approval by the Finance Committee, including the proposals regarding three landfills and one incinerator, the Low-income Working Family Allowance, and so on. The Chief Executive and the Financial Secretary have also rolled out the consultation work regarding the policy address and annual budget for the coming year so as to take in people's opinions, with a view to introducing more policies and measures that can help the public overcome their hardship. For this purpose, I earnestly urge Members who speak in support of the motion to place the welfare of Hong Kong as a whole in the first place and refrain from wasting time and resources on such kind of unconstructive matter. Instead, I urge them to join hands with the Government to address the issues facing Hong Kong in a pragmatic manner.

With these remarks, President, I earnestly urge Members to oppose Ms Claudia MO's motion. Thank you, President.

PRESIDENT (in Cantonese): Ms Claudia MO, you may now speak in reply.

MS CLAUDIA MO (in Cantonese): President, it is regretful to see that Mr LEUNG Chun-ying continues to stay holed up. Yesterday, he had been hiding behind a lady for the whole day. I note that Chief Secretary Carrie LAM is sitting here. I have known Mrs LAM since I was working as a journalist. For the whole day, I could not see her smiling countenance as in the past. She was frowning and worried. She looked as sad as if she were attending a funeral. I have reasons to believe that Mrs Carrie LAM still has some basic moral concepts, as she has to read out from the script. Today, Secretary Matthew CHEUNG is here to be responsible for reading out from the script. I really do not understand how Secretary Matthew CHEUNG is related to this incident. He will not be interested in learning the private property issues of Mr LEUNG Chun-ying.

Mrs Carrie LAM pointed out yesterday that she felt regretful for my wanton criticism and unreasonable accusations against Mr LEUNG Chun-ying. How can that be wanton? I only remarked that Mr LEUNG Chun-ying "has

neither political wisdom nor political credibility". This is the most acrimonious remark I make, but it definitely was presented politely. She should walk around in Admiralty, Mong Kok and Causeway Bay. I believe that the voices and wordings of the public will be 10 times, a hundred times or even a thousand times more acrimonious than mine. What is more ridiculous is that Mrs Carrie LAM has clearly stated that she knows nothing about the private property of the Chief Executive. Since she knows nothing about it, why is she so sure when answering the questions? How does she know that my argument is groundless? I am now not fabricating it out of nothing. Even though the Secretary is now speaking on behalf of Mrs LAM, while Mrs LAM is answering the questions on behalf of the Chief Executive, what Secretary Mr Matthew CHEUNG said earlier was nothing new. I am not sure whether the Secretary has paid attention to the latest development of the issue. If he has, he should know that not a single sentence from his is new. What he uttered are hackneyed and stereotyped expressions. But we are still full of suspicions.

President, you must have suffered a lot of hardships being the President of this Council in this session, as the quality of this Council is really appalling. It is obvious that some Members do not know what they are talking about. It is either that he does not know what he is talking about or that he does not believe in what he is talking. Dr CHIANG Lai-wan has even mixed up Mr LEUNG Chun-ying with Mr Jimmy LAI. She has surprisingly remarked that "Mr LEUNG Chun-ying has given \$500,000 to Ms Claudia MO". Did she really know what she was talking about? Is she suffering from early psychosis or dissociative identity disorder?

In this Council, there are indeed too many puppets from the Beijing authorities or too many "advantage holders". What kind of advantages? Political advantage is an example, or there are Mainland interests in trading with China. These advantage holders are all speaking here. Too many people are talking nonsense and their clamours can be clearly heard a few streets away. President, I originally wanted to invoke Rule 41(5) of the Rules of Procedure to lodge a complaint to you against Mr CHAN Kam-lam who conjectured in his speech that other Members had impeachable motives. On my second thought, I would not lower my personal standard to adjust to his kind of standard. I thus decided not to complain at the end.

Let us turn back to the theme. Mr CHAN Kam-lam really has to tell Mr LEUNG Chun-ying that a superior man is satisfied and composed. A man

should have the courage to take the blame for what he does. He should not find another person to speak on behalf of him, particularly a lady who sat here all day yesterday, taking his place in suffering so many criticisms. But when she answered, she still lacked the details. Why did he not dare to come to the Legislative Council? Why could he not properly hold a press conference? I believe that all television stations in Hong Kong will surely broadcast it live. He can hold the conference for as long as he wishes. If that is real, it will be a piece of breaking news. He will have three hours to speak. He can openly show his bank statements, documents, witness letters and emails. The day has eyes, the night has ears. If he has done nothing wrong, why can't he be frank and above-board? But he has not chosen to do so. On the contrary, he still continues to express regret over the matter.

After meeting Mr LEUNG Chun-ying, some Legislative Council Members have completely become his spokesmen. President, you were not in the Chamber earlier and Deputy President took the Chair. I then lodged a complaint to him about the Rules of Procedure. I said that Members could not influence the Legislative Council in the name of the Chief Executive. It is because when a Member quoted the remark of Mr LEUNG Chun-ying, he took it for real. In fact, it was only hearsay. However, he said that "this is what the Chief Executive said". I really find it problematic. But of course, I am not in the position to make a ruling on this. At present, I do not intend to continue complaining.

In this Council, even the most basic element of "honesty" is difficult to pursue. It is because the President and Deputy President have said that what Members say need not be facts, and they can simply express their own opinions. Nevertheless, I still need to mention something trivial. Mr WONG Ting-kwong said that he did not mention the word umbrella, but he did mention the Occupy movement. The major sign of the Occupy movement is the umbrella. What we pursue is not only honesty, but also intellectual honesty — it is difficult for me to express the meaning of intellectual honesty in Chinese, and hence I can only say it in English. However, in this Council, not to mention honesty, it is rather difficult to pursue even intellect, as this Chamber is just full of too many double-talks.

A news commentary has pointed out that in the contract between Mr LEUNG Chun-ying and UGL, there is somehow a handwritten paragraph which roughly says that the premise is not to involve in any clash of interests. This is handwritten. Frankly speaking, I can tell that this is the handwriting of

Mr LEUNG Chun-ying, as he has written some notes to me before. I can tell that this is his own handwriting. However, it is very weird that the Secretary did not mention this earlier. I believe that he did not mention it deliberately. When was that paragraph added to the contract? The Chief Executive's Office issued a declaration yesterday which said that the handwritten term was added on the date of signing the contract, didn't he? How come there is no initial? The meaning of initial is the short form of a signature. Or has that been omitted while photocopying? We are not talking about the term for buying marinated eggs, but a contract worth £4 million. Such contracts require detail scrutiny by many teams of lawyers who will check whether there are spelling mistakes or omissions of certain punctuation marks. Everything has to be nice and clear. Not till now does he say that the handwritten paragraph was added on the date when the contract was signed, but without any initial. Who does he want to cheat? Is he really treating the Hong Kong people like fools? Do those in the business field not like mentioning the usual practices in business? Can this be regarded as unusual? How come not a word is being mentioned? Is there any secret not to be divulged? The so-called stenchy fish-smell is indeed too strong.

At the same time, I would also like to remind Mr CHAN Kam-lam of the pronunciation of "Z" in DTZ. It should be pronounced as "Z"(/zed/) as in XYZ, instead of "/I-zed/". This Council meeting is being broadcast live. I would ask him not to mislead students about the English pronunciation. His pronunciation is incorrect. "Z" in English should be pronounced as "/zed/" instead of "/I-zed/". OK?

Mr CHAN Chi-chuen has raised a very good question. A state-owned enterprise was also interested in the acquisition, and it even offered a much higher bid. Why did they refuse? They said it would be required to move to Tianjin and this would involve foreign exchange issues in China and would take longer time for transaction. However, why would that be decided so hastily? This transaction is not about buying a chair or a table, but involves a contract worth millions of pounds. Why should they act so hastily? Can't they wait for a while? They did not show much love to the country, right? That is a state-owned enterprise. The two parties could negotiate. If DTZ thought that moving to Tianjin was not a very good idea, it could suggest remaining in Hong Kong or moving to Shenzhen, which is also in the Mainland but is nearer to Hong Kong. Was it really impossible to discuss that? We just have too many doubts.

Besides, in the case of DTZ Japan, there is information that Mr LEUNG Chun-ying asked the other party to give him £3 million in addition, but that was not accepted and he did not receive the payment. However, this again has raised our suspicion on his credibility, and that is a matter of course. A Member from the democratic camp questioned earlier: What is meant by "no comment"? It should be either affirmative or negative. Does he think that if he refuses to mention it, everything will be fine, nothing has ever happened, or it simply does not exist? The stronger he refuses to mention, the more suspicious we will be. We have substantial evidence to start the impeachment procedure. We have to study in detail the room between his mentioning and not mentioning the information, so that we can see the level of credibility of the Government.

It is affirmative that the Beijing authorities know about this contract of Mr LEUNG Chun-ying. Because as we all know, one has to go through an integrity check before he can be the Chief Executive. Winning the election does not necessarily mean that he can become the Chief Executive. He must first obtain the endorsement from the Beijing authorities. At the very beginning, who were responsible for integrity check? Holding all his "black materials", these people can protect him and save him from attacks on the one hand, but can also deal with him whenever necessary on the other hand. The veteran secret agents in the Ministry of State Security, and the team of senior cadres of the Organization Department of the Communist Party of China Central Committee responsible for manpower appointments will possess this information. That contract must be a highly secret document which will only be in the hands of Mr LEUNG Chun-ying and UGL. Who will also have a copy? These people mentioned just now would have a copy. With such a spilling of the information, some people think that this has obtained permission from state leaders who really cannot stand Mr LEUNG Chun-ying anymore. They will ask him to excuse himself when necessary. Mr LEUNG Chun-ying should also come out and respond whether this is true or not. The above mainly comes from part of the analysis made by Prof Willy LAM, a veteran expert on Chinese affairs.

President, Hong Kong — our advantage is the Independent Commission Against Corruption (ICAC). However, as mentioned by Members who spoke earlier, the problem is that the ICAC is responsible to the Chief Executive only. When it was first established, it was especially appointed by the Governor — we found it very funny then, as it was especially appointed by the Governor — it was the Governor then, but is now the Chief Executive. However, the ICAC's investigation into Mr Donald TSANG for his various corruptive activities over

the sea, land and air has been going on for three years. People can thus understand the constraints of the ICAC. Of course, the investigation concerned is on the business and criminal aspects, while we are mainly dealing with the credibility problem of Mr LEUNG Chun-ying. This is related to the credibility that he needs to possess as prescribed in Article 47 of the Basic Law.

Dr LAM Tai-fai said that the minor shareholders have yet to voice their opinions. Even though the minor shareholders have incurred losses and find themselves being treated unfairly, they have yet to voice their opinions. And thus why are we more worried than the people involved? This argument is really groundless. When the socially disadvantaged groups do not know how or do not dare to voice their opinions, even if it is related to the problem of righteousness, can we just say sorry to them, and that we cannot help them because they have not voiced their opinions? We have to hold on to some basic concepts of righteousness and fairness.

President, Article 47 of the Basic Law states that — in the Chinese version, it says the Chief Executive "必須廉潔奉公"(must be honest in performing his or her official duties). As Mr Ronny TONG strongly emphasizes, "廉潔" (honesty) is in the leading place of "廉潔奉公" (honest in performing his or her official duties), and it does not even require him to be law-abiding, as law-abiding is within our expectation. But "廉潔" (honesty) is in the first place. Besides, he must also be "盡忠職守" (dedicated to his or her duties). In the English version, this is not a literal translation. In the English version, Article 47 of the Basic Law states that the Chief Executive of Hong Kong must be a person of integrity. Thank you.

PRESIDENT (in Cantonese): In Ms MO's speech earlier, she mentioned some of my viewpoints concerning whether the contents of Members' speeches must be based on facts. She also mentioned the Deputy President. In order to avoid misunderstanding as you may think that Members can disregard the facts when you speak, I have to state clearly to you.

In the course of debate, it is not rare that Members, in their turns to speak, accuse each other for not speaking in accordance with the facts. However, when a Member is speaking, another Member takes the excuse of point of order and stands up to interrupt a Member's speech, pointing out that what he said is at variance with the facts, I will then need to point out that in the Rules of

Procedure, there is no such rule as to require all the contents of a Member's speech must be in line with the facts. Therefore, the point of order raised for the reason that a Member is not speaking in accordance with the facts is not a point of order. Members should not take it as an excuse to interrupt the Member who is speaking. I, of course, think that what a Member said should respect the facts.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Ms Claudia MO be passed. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr LEUNG Kwok-hung rose to claim a division.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung has claimed a division. The division bell will ring for five minutes.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Prof Joseph LEE, Mr Charles Peter MOK, Mr Dennis KWOK and Mr IP Kin-yuen voted for the motion.

Dr LAU Wong-fat, Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr YIU Si-wing, Mr MA Fung-kwok, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr Martin LIAO, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the motion.

Mr Tommy CHEUNG, Mr Frankie YICK and Mr CHUNG Kwok-pan abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mr LEUNG Kwok-hung, Mr Albert CHAN, Ms Claudia MO, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the motion.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the motion.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 30 were present, six were in favour of the motion, 21 against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 31 were present, 15 were in favour of the motion and 15 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negatived.