

**LAST EXIT TO STANLEY**  
**The Donald Tsang Corruption Trial**

**George Adams**

**2017**

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## **THE FORCE AWAKENS**

**9/1/2017**

### **LIVE UPDATES AT THE DONALD TSANG CORRUPTION TRIAL IN HONG KONG with the CYCLING COURT CORRESPONDENT**

It's just like old times. David Perry is here. The Defender of Pinochet is here. The Press are here. You are here. The audience in the gallery of Court 7 on the 5th floor is not as dense as expected and I am cosily ensconced next to the lovely video screen. Donald, the tiny and silly overpaid man, is almost invisible in the dock. He has one guard. Not a high risk then. Outside there are piles of monkeys in suits, knuckles dragging. I stow my bicycle in its usual place by the telephone. Donald is in a blazer and grey cavalry twills.

The unmistakable honeyed voice of Mr Perry is announcing some amendments to documents. And other procedural matters. Apparently the jurors have not yet been sworn. This could be a long trial as we have been on a week already. I verily believed that the real trial was about to begin today. The estimated length is now 25 days, ending 15th February. The DoP is more for 25-30. She estimates 20th February.

Thank you and goodnight.

## **WILL IT REALLY START TODAY?**

**10/1/2017**

### **SORT OF LIVE SORT OF UPDATES AT THE DONALD TSANG CORRUPTION TRIAL IN HONG KONG with THE CYCLING COURT CORRESPONDENT**

This could become a habit. Wake up in the palatial surroundings of Stanley, down with an egg, cheese, two slices and two cups of industrial strength coffee, unfold and fold the bike and onto the 6X into town to see the Show of Shows. Mystery is why the Defender of Pinochet, thoroughly eminent and competent in a general sense, is appearing for the defence here when her record in Hong Kong is so abysmal. Perhaps she is the Lloyd Garroway of the territory, gently and nobly leading her clients down into the cells. Or could it be that in the face of so many past failures, the hope is that she will at last succeed by the law of averages? Donald may be a betting man, strongly influenced of course by his friend presently smoothing down the bed sheets for him in Stanley Prison, one Rafael Hui. But the DoP is not to blame. Her clients have largely all been as guilty as sin. Not Donald of course. He is simply silly. Hubris also doesn't fit the picture. A greedy schoolboy left in charge of the tuck shop does.

We are off at 10.15. There is agreement over press cuttings and admitted facts. Hurrah. Mr Perry is suggesting where to put the jury bundle bookcases. He is clearly an expert interior decorator.

The jury is being sworn. Then we will have the judge's remarks. Then the bookcases will be arranged. It's all overture and no star turns. One of the jurors has been excused on the judge's discretion, possibly due to language difficulties. Another juror is now being sworn, also a woman.

The charges are being read out and are quite specific as to motive, reward, aim. There is no need to prove benefit under the Prevention of Bribery Ordinance so the pointed and exact nature of the charges is interesting. We must recall that there was no specific benefit stipulated in the long Hui Kwok corruption trial.

Let us say right now that anyone requiring a three-storey penthouse marks himself out as greedy, stupid, showy and, if a public servant, venal, high-living and open to corruption. As with his friend Hui, the question arises about the addictiveness of the high life. When did it begin to afflict Donald? Probably decades ago. He has long been a cosseted, privileged Hong Kong grandee, unelected, unaccountable to the populace in any real sense, living all his life in air conditioning, in first class, with limousines, thick carpets, personal domestic servants and a retinue of forelock-tugging yes-men and women constantly on call. The Donalds of this world are quite unaware of the price of rice, bread, fish or the cost of accommodation, public transport, electricity or health care. It is all laid on and has been in his case for almost a half century. "Let them eat congee" might be his motto in life.

Judge Andrew Chan is giving a laborious introduction to the courtroom procedures for the benefit of the jury. Rendered into pill form, it would put Hoffmann Laroche out of business.

At last the show begins and David Perry gives his opening address. He's squeezing the first part of it before lunch.

The jury may have had a lot of detail to take in. He wants the jury to relax and he will assist and tell a story. A simple story. Already life is getting better. We will look at photos and documents to help concentration. This case revolves around DT's conduct. The case is about integrity, honesty and standards of conduct in public life in HK, about his relationship with big business, one businessman in particular, about corruption and misconduct. DT was appointed to serve all the people of HK. He was entrusted with power and given influence but duties and obligations come with those. He must not use his public office to serve his own interests. He must act for the public good. The prosecution alleges that he abused his office to further his own personal interests.

DT was involved in government decision making and president of the Executive Council. The decisions we are involved with in this case regard broadcasting licenses which are granted to private commercial enterprises. The potential of broadcasting is to make great profits and exercise great influence. Wave Media was granted licenses but the people of Hong Kong did not know that one of the company's owners was involved in

negotiations with DT regarding residential property, a large flat in Shenzhen, over 600 square metres in size. DT would move into it on his retirement. Negotiations took place 2010-2011. It was refurbished and redecorated to a very high standard on the direction of DT and his wife to include an audio-visual room, calligraphy room, a gym etc.. DT was thus already receiving an advantage just as he was considering the broadcasting license for Wave Media. The jury now sees a plan of one floor of the property, on the 36th floor: landscaped garden, tea room, lounge, gym, another lounge. Then there is a greenhouse, library etc. on another floor. The luxurious living room and master bedroom and library are shown. The property was in a desirable and expensive area of Shenzhen. The refurbishment was complete. Negotiations with Wong of Wave Media were secret and DT made decisions favourable to the company. DT was in a conflict of interest, to put it mildly. DT's first loyalty was to the people of Hong Kong and he should have disclosed his relationship with Wave Media. He suppressed this information. His public position was hopelessly compromised. It was not just one decision in 2010, it was also 2011 and 2012 too. One such decision in favour of the company was taken one week after refurbishment plans were approved.

And here for the record and is the SCMPAlibaba's take on what I missed in the afternoon.

Start at the bottom and work up.

#### **4.34pm – Tsang’s Shenzhen trip**

Tsang was revealed to have arranged a visit to Shenzhen with Wong and David Li – a fellow Wave Media shareholder and chairman of Bank of East Asia – for hours after the government held a press conference to explain the decision to award the radio station a broadcasting licence in 2012.

“They went off to the mainland and they spent time together,” Perry said. “All travelled back to Hong Kong together.”

Perry also pointed out that, around the time public consultation for broadcasting licences were in progress in July 2010, Tsang’s wife withdrew HK\$350,000 in cash from the Bank of East Asia’s main branch in Central.

“Who provided that cash on July 16, 2010? David Li,” he said, pointing out that Li “happened to be” one of the shareholders of Wave Media.

#### **4.30pm – Tsang’s radio interview ‘an attempt to limit criticism’**

Tsang failed to provide a full explanation of his conflict of interest, despite volunteering a radio appearance to come clean, Perry alleged. Instead, the prosecutor said, that was an act of crisis management.

Perry said Tsang volunteered to go on a programme on Commercial Radio on February 26, 2012, as press interest grew.

Calling Tsang’s decision to go on the *Beautiful Sunday* radio programme “interesting”, Perry said: “[Tsang] didn’t produce a public press statement containing all the details of what he had been involved in, nor a full explanation of what had happened.”

“He still tried to conceal what had been going on. Even when he is volunteering to go on the radio he was concealing the true position,” the prosecutor added.

Perry said Tsang, a public servant since 1967, told the show it did not occur to him that there was a conflict of interest at the time, despite it involving “millions of dollars” and spanning “a period of 14 months”.

“The prosecution say he was not telling the truth. He was trying to manage the situation and limit the criticism,” the prosecutor said.

#### **4.08pm – Tsang accused of ‘betrayal’**

Perry told the jury that a duty to declare conflicts of interest should be the “core value” of any public official anywhere in the world, and failing to do so would amount to a betrayal.

He said that that standard applied regardless of whether the public official concerned was “in Hong Kong, or Timbuktu”.

“If you are a public official and conceal the conflict ... then you betray the trust that has been placed on you by the law,” he said.

“You would expect [a leader] to lead by example,” he added.

“In this case, the chief executive did not declare any conflict of interest, even though there was an obvious conflict.”

### **3.50pm – Refurbishment of penthouse was ‘inducement or reward’ for Tsang**

David Perry QC, prosecuting, said that in relation to the charge of accepting an advantage, Tsang had allegedly received the refurbishment and redecoration of the three-storey residential property in Shenzhen, even though he had neither a good reason nor permission to do so.

He alleged that Tsang, as chief executive, in return granted Wave Media a digital broadcasting licence, approved the surrender of its sound broadcasting licence and accepted its application to have Arthur Li Kwok-cheung appointed the broadcaster’s director between 2010 and 2012. He said Tsang “accepted [the] advantage as an inducement or reward for – or on account of – his performance”.

The two other charges accuse Tsang of misconduct in public office, in that he allegedly failed to disclose his interest in the Shenzhen property to the Executive Council and those involved in granting official honours and awards in the city.

“This is concealing his links, even though he was hopelessly conflicted and compromised,” the prosecutor said, referring to Tsang’s failure to inform Exco.

As for the nomination of Barrie Ho Chow-law, who was paid to refurbish the Shenzhen property, Perry called it an “abuse of the system”.

### **3.30pm – Prosecutor explains Arthur Li’s connection to case**

Perry also explained the connection of Arthur Li Kwok-cheung and his brother David Li Kwok-po, both former Executive Council members, with Tsang’s case.



Apart from a digital audio broadcasting licence being granted to Wave Media, Tsang also allegedly granted an application for Arthur Li to become the company's director in January 2012.

Perry pointed out that the approval of Li's directorship allegedly came just two days after Tsang's wife's meeting with a feng shui master in Shenzhen.

### **3.10pm – Refurbishment work stopped after press uncovered penthouse**

After the property came to light in February 2012, the refurbishment work at the three-storey residence stopped, and meetings between the designer and Tsang's wife were suspended, prosecutor Perry told the jury.

The prosecutor alleged that there had been constant meetings between Tsang and Barrie Ho, the designer commissioned to refurbish Tsang's rental property in Shenzhen, in the year leading up to the 2012 media report on the house.

On one occasion, the prosecutor alleged, Tsang's wife even brought a feng shui master with her to a meeting in Shenzhen.

But once the property was uncovered by the press in February 2012, "the work was suspended," Perry said, adding that there were no more meetings.

"If you are engaged legitimately and honestly refurbishing a property for your own occupation, and it comes to light in the press, why does the work stop?" the prosecutor asked the jury rhetorically.

Perry also alleged that as soon as the property came to light, Tsang tried to distance himself from it and gave an untruthful account.

### **2.50pm – HK\$3 million refurbishment for Shenzhen property**

As the trial resumed after lunch, Perry made a further revelation: that the refurbishment work for the "luxurious" three-storey property involved in Tsang's case cost about HK\$3 million, with a well-known designer engaged to carry out the job.

He said architectural designer Barrie Ho Chow-lai was commissioned to oversee the refurbishment and provide a design plan.

“And Barrie Ho’s fee was HK\$350,000 for the plan,” Perry said.

The prosecutor highlighted the fact that Ho was allegedly not paid directly, but through a company called Shenzhen East Pacific Group. For the plan in particular, the prosecutor said, Ho was paid by another company called East Pacific Holdings.

He added that East Pacific Holdings was directed by Bill Wong, also the director of Wave Media, which was seeking a licence at the time.

“East Pacific Holdings has links to Wave Media,” Perry said.

“Everything was being paid for – refurbishments, designer fees – by one of [Bill] Wong Cho-bau’s companies.”

The first payment of HK\$175,000, he said, was in March 2011, and a second one of the same amount was in June 2012.

Tsang went on to nominate Ho as a person suitable for an honour or award under the city’s system of awards and honours “without revealing the true nature of their relationship”, Perry said.

At one point in 2011, the prosecutor said, Tsang’s wife was meeting Ho on an almost daily basis, just when Ho was awarded a medal of honour.

“What appears to be curious about that award ceremony is that the defendant presented a medal of honour to Barrie Ho but made no mention of fact that Barrie Ho, at the time of the award ceremony, was still heavily engaged in renovation in the exclusive Shenzhen property undertaken for [Tsang’s] benefit,” Perry said, adding that the prosecution’s case was that the defendant had used the award system for his own personal benefit.

The prosecutor alleged that it was “an incentive ... to the man involved in the refurbishment for ensuring that the property in Shenzhen was suitably luxurious for a retired chief executive of the Hong Kong Special Administrative Region”.

## **THE CRUEL MARCH OF FACTS**

**11/1/2017**

### **LIVE UPDATES AT THE DONALD TSANG CORRUPTION TRIAL IN HONG KONG with THE CYCLING COURT CORRESPONDENT**

We have previously referred to David Perry as a bear with titanium steel claws. Indeed. The relentless catalogue of facts revealed yesterday, the dates, sums of money, the plans, the meetings, the coincidences, the silences, the lies, the denials and the cover-ups were straight out of his now familiar matrix of a very well understood and communicated scenario of criminality. It was all presented in the sweet but crushing manner he is famed for. The impression arose, with its calculated grab of at least HK\$ 3.375 million dollars, of a well-thought-out, protracted and thoroughly conscious and deliberate conspiracy to feather the Tsang nest, already well padded of course, with the sort of tasteless bling which is a crime in itself. Gone now surely is the impression of a bumbling undergrown schoolboy. Tsang is clearly a crook.

The jury is about to come in. There is some question about a juror being prejudiced by his/her employer so the judge has stood down for a while. The court might write a letter.

The jury is back. Mr Perry continues. We are going through Donald's employment history, commencing 1967 in the Civil Service. By 1978 he was principal assistant secretary and later went to Harvard. By 1995 he was the Financial Secretary designate. Later he became Chief Secretary. And Chief Executive of course.

We will shortly be looking at the standards of behaviour for the Civil Service which Donald himself drew up. Donald has two sons Simon and Thomas. One was involved in the lease arrangement. Donald has two brothers: both of whom petitioned Barry Ho to do work for them in 2008. Donald made declarations of conflict of interest concerning companies connected to his brothers.

Donald had regular contact with Bill Wong Cho-Bau. 25th Feb 2011 for instance Mrs Selina Tsang was also in contact with him. 20th March 2011 Executive Council meeting shortly after one such meeting. End of March

to 4th April 2011 Donald and wife away from HK in Shenzhen. 11th April letter from DT to Wong Shung Yuen Regency Hotel Shantou but cc.ed to Bill Wong. The former was connected to East Pacific Ltd, Donald is happy and most effusive with the sumptuous hotel. He clearly had a very very good time there. The same man was a signatory to the BOC account of Bill Wong. All this took place the same time that Wave Media was conformed as a DAB licensee.

David Li and DT&wife arrive back from Macau at the same time in November.

The jury is looking at an organizational chart including the incorporation of Wave Media. Shareholders of the company included Albert Cheng, David Li, Arthur Li, Ronald Arculli. The later withdrew from the Executive Council when the Wave Media application was discussed. Donald approved the same withdrawal, when in fact Donald was highly connected to Wave Media and Bill Wong, a director of the company, who had 20% of the shares. Bill Wong's holding company also developed the property where Donald had his penthouse.

The jury now looks at Government circulars with the code of behaviour for principal officials coming into effect in 2002. Chapter 5 dealt with conflicts of interest. Principal officials are meant to exercise the highest standards of behaviour. In case of doubt the Chief Executive should give guidance. The CE is the person everyone looks to set standards of behaviour. Even the suspicion of conflicts of interest should be avoided. And so on.

Autumn 2009 Donald gave a speech about the dangers of Government collusion with business, just before he begins his negotiations with Bill Wong.

All in all, there is a strong smell of cooked goose on the 5th floor, especially when Donald Tsang begins his conceited magisterial trot, surrounded by ostentatious, vainglorious, costly but quite unnecessary tame gorilla bodyguards.

After all, who would want to stab dead meat?

For completeness's sake here is the SCMPAlibaba's take on the rest of the

day. The same points were made over and over again. But that's what it takes sometimes to nail someone.

#### **4.44pm – Trial ends for the day**

The trial will resume on Thursday, when witnesses are expected to be called.

#### **4.43pm – Tsang ‘claimed public expectations too high’**

As public interest in the property grew, Tsang went on a radio programme to “shift the focus onto the public”, prosecutors alleged.

Days after the Shenzhen property was reported on, Perry said, Tsang went on Commercial Radio’s *Beautiful Sunday* programme to say that he found the public expectations on him rising higher and higher.

“He is shifting the focus to the public,” the prosecutor said.

“They expect too much. They are out of step. And they want us to be whiter than white’,” he added, in a bid to sum up what Tsang said on the radio.

#### **3.50pm – Tenancy agreement ‘emerged because of Tsang’s panic’**

The prosecution urged the jury to ponder why a tenancy agreement for the Shenzhen property only surfaced in 2012 after close media scrutiny, even though his interest in the flat dated back to 2010.

“In a simple word, it’s panic,” Perry said.

Perry said the “so-called tenancy agreement” did not emerge until local newspapers *Oriental Daily* and the *Sun* reported the casino banquet in Macau with reports and photographs questioning Tsang’s integrity in February 2012.

Press inquiries followed, with the two same newspapers and *Sing Tao* reporting Tsang having taken rides in his friends’ yachts to Macau.

“All of a sudden, when media started looking at his conduct, the tenancy agreement came into existence,” Perry said.

Perry said the defendant panicked because he realised there was a risk details of the property would also emerge.

### **3.40pm – Facilities built to order at Shenzhen penthouse**

Perry read out a list of photographs depicting the facilities, made according to Tsang and his wife’s specifications, at the Shenzhen property about one month after Tsang stepped down in June 2012. They included:

- Master bathroom overlooking city of Shenzhen
- More storage space specially made for the flat
- Work area with a desk coming out of the wall overlooking city
- Entrance lobby
- Main living area
- Part of the interior staircases
- Kitchen
- Part of the roof terrace and garden
- Gym
- Guest toilet
- Library

### **3.20pm – Broadcasting chief kept in the dark**

The head of the Broadcasting Authority had been kept in the dark by Tsang about his dealings, despite being told to examine the very radio station over which the former chief executive allegedly had a conflict of interest, the prosecutor said.

On November 5, 2010, it was announced at a press conference that Tsang, as the chief executive, had approved in principle the application for digital broadcasting licences for Wave Media, Metro Broadcast Corp and Phoenix U Radio.

Broadcasting Authority chairman Ambrose Ho Pui-him said at the time that his department had vigorously examined the three applications over a few months and had taken into account the views gathered through public

consultation in formulating the recommendations for digital audio broadcasting licences to be granted.

Perry said: “What Ambrose Ho didn’t know was that the chief executive was closely linked to Wong Cho-bau, the director and shareholder of Wave Media, and on the day of that very conference ... the defendant and [Wong] were on the mainland.”

### **2.55pm – Exco meeting exclusions**

As the afternoon session began, Perry turned to the minutes for an Executive Council meeting on December 15, 2009, and said council member Ronald Arculli, being a shareholder of Wave Media, was excluded from a meeting discussing digital broadcasting licences for the station on the grounds of conflicts of interest and public perception in 2010.

“He has a significant interest financially in the decision,” the prosecutor said.

Arculli’s exclusion at the time was approved by Tsang.

Another Exco memorandum showed concerns were raised that members from the pro-democratic camp would accuse the government of favouring Wave Media over other community radio stations.

In another meeting relating to the Wave Media licence applications in April the following year, Arculli was allowed to be excluded again, this time by then acting chief executive Henry Tang Ying-yen.

During another council meeting in 2011 to discuss Wave Media’s appointment of Arthur Li Kwok-cheung as a director, Arculli was out of town.

### **2.40pm – Trial back underway**

The hearing resumed after a short break due to technical problems. Tsang had interrupted the afternoon session to complain he could not hear the Cantonese translation of the proceedings through his headphones.

## **2.35pm – Technical issues**

Tsang stood up to interrupt proceedings at the start of the afternoon session, saying in English: “Your Honour, I can’t hear anything from here.”

The former chief executive had been listening to a Cantonese translation of proceedings through headphones.

Mr Justice Chan dismissed the court to allow time for the technical issues to be fixed.

## **1.00pm – Strict requirements for declarations**

Tsang was deepening his connection with the major shareholder of radio station Wave Media, to which he is accused of having granted a licence without declaring his interest, just as he was warning another Executive Council member that the conflict of interest rule should be interpreted strictly.

At that time in 2010, rural strongman and Exco member Lau Wong-fat, had declared land he directly owned, but failed to declare property owned by his companies.

Tsang, Perry said, released a statement in September 2010 saying “declaration requirements should be interpreted in a strict manner”.

Meanwhile, a payment of 800,000 yuan (HK\$895,620) was made by Tsang and his wife in November that year to a company connected with Wave Media director Bill Wong, with the arrangement of that payment coinciding with the start of the public consultation for the broadcasting licence decision.

Perry said the payment was made in a time deposit on September 30, being converted from Hong Kong dollars to yuan between September and November, when it was paid.

On November 5, Tsang and his wife, together with Wong, all went to the mainland, Perry said.



“When [Tsang] was making this statement about the need for greater scrutiny in declarations, arrangements were being put in place,” the prosecutor said.

The hearing will resume at 2.30pm after a lunch break.

### **12.55pm – Contrasting actions**

In contrast to Tsang’s not revealing his relationship with Wave Media during the relevant Exco meeting, the prosecution cited fellow council member Ronald Arculli’s declaration that he was one of the radio station’s shareholders.

Perry noted that the chief executive’s office at that time ordered that Arculli be excluded from the relevant meeting in July 2008 when discussing the licence application from Wave Media.

Arculli also did not receive the relevant papers circulated to other Exco members.

### **12.52pm – ‘Trivial’ conflicts vs important ones**

If Tsang had declared trivial conflicts of interest, why had he not declared a more important conflict, the prosecutors went on to ask the jury.

Perry said Tsang had declared that he held a few honorary positions in some statutory bodies when the Executive Council was to discuss exemptions for those bodies from the city’s anti-competition regulations.

“This is rather trivial,” Perry said.

However, Perry argued, notwithstanding Tsang’s failure to declare his interest in the Shenzhen property to Exco, the former leader went on radio programme *Beautiful Sunday* to deny there was any conflict of interest.

“If he’s declaring these matters, why is he not declaring the more important interest?” the prosecutor asked.

### **12.38pm – Tsang’s declarations of conflict of interest**

The prosecutor said that although Tsang had made a large number of declarations in the Executive Council over the years, he failed to declare the conflict of interest concerned in the current case.

For example, Perry said, Tsang made 69 declarations in 44 meetings in 2005, some of which concerned him being a recipient of pensions when matters relating to pensions were discussed, and him being a member of the Hong Kong Jockey Club during the discussion about equestrian games in the 2008 Olympics.

But Tsang, the prosecutor said, made no declaration when it came to the decision to grant Wave Media a digital audio broadcasting licence, during the same meeting at which he declared he was a patron of the Hong Kong Institute of Architects when the council was charged to discuss the development of private land at Peel Street and Graham Street in Sheung Wan.

“Now, members of the jury, you may want to ask yourself one question: if you are at that meeting, what do you think would be more important to know?” Perry said.

“Whether [Tsang was a] patron of the Institute of Architects or whether he was granting a licence to Wave Media while he was about to go to the mainland with one of the directors to discuss the flat he was moving into when he stepped down as the chief executive.”

### **12.27pm – Prosecution quotes Tsang on ‘cronyism’**

In the 2009/2010 policy address the defendant made as chief executive, the prosecutors said, Tsang specifically said the government should avoid “cronyism” between the government and the business sector.

Tsang said during his address on October 14, 2009, that while the government needed to cooperate with important industries in Hong Kong, it should keep its policy discussions highly transparent, according to Perry.

“We also need to dispel the misconception that collaboration between the government and the business sector is cronyism in disguise,” the prosecutor cited Tsang as saying.

Perry laid out the challenge for the jury: “You will have to decide whether [Tsang] did live up to what he said in these speeches and conduct himself in an open and transparent manner.”

### **12.20pm – Setting benchmarks on accountability**

Perry said Tsang had openly accepted the vigorous accountability introduced in 2012, as the prosecution turned after the morning break to the press statements made by Tsang during his term as chief secretary.

In a speech in April 2002, Tsang placed his faith in the system, which he believed would make the government more open and accountable, the prosecutor said.

“He concludes his speech by saying it will be up to all of [them] involved in government to live up to expectations [they] have created. [They] have put down some benchmarks on which [they] can be judged,” he said.

Another press release in May 2002 that shed light on the discussions by government officials over the accountability system also talked about conflicts of interest. Tsang, Perry noted, said principle officials failing to comply had violated the terms and conditions of the employment contract.

### **11.50am – Surprise visit by former justice minister**

Wong Yan-lung SC, who was secretary for justice in Tsang’s administration, made a surprise visit and sat in the public gallery for an hour this morning.

He later accompanied Tsang to a conference room as the court hearing was adjourned for a short morning break.

The pair chatted for about five minutes before Wong left the court.

“I will not comment to the press today. I hope you understand,” he said when approached by the media.

## PERMEATING THE RAPTURE

12/1/2017

### LIVE COMMENTARY ON THE DONALD TSANG CORRUPTION TRIAL IN HONG KONG WITH THE CYCLING COURT CORRESPONDENT

**In Christian eschatology the rapture refers to the belief that either before, or simultaneously with, the Second Coming of Jesus Christ to Earth, believers who have died will be raised and believers who are still alive and remain shall be caught up together with them (the resurrected dead believers) in the clouds to meet the Lord in the air.**

After Catholic Mass each morning, Donald Tsang presumably arrives in a state of grace at court. The photographers and vile scribblers cannot touch him. And in the dock, the hurtful assertions of Mr Perry must be to some extent attenuated by hope of deliverance. Let us see.

I am not able or particularly willing to sit outside court today and will rely on summaries of events posted I hope by the Alibaba Xinhua paper. This is already a fairly tedious trial with the same points being presented, although with different evidence, again and again. One hopes for an ingenious defence. Donald had no idea Bill Wong owned his building. He had no idea David Li was simultaneously extending Rafael Hui tens of millions of dollars in overdrafts and giving Mrs Donald 350K for shopping and sundries. Some of the verdicts in the Hui Kwok trial convinced me that juries in Hong Kong are able to be nobbled (oh yes) or that they are at least partly populated by the extremely corrupt of mind. Did the ICAC ever check to see how many jurors have walked into SHK properties?

Then there is of course the question of sentencing. Anything less than five years will be met by howls of derision from the populace. If Donald gets the hat trick of guilty verdicts, well on the cards, one surmises he must get at least what Rafael Hui got, ninety months. Or more. Hui however is a truly wicked creature and even now it is fair to say that he just doesn't get it. All he knows is that he was caught. Donald is a sinner but not one hopes an irremediable case.

It seems AlibabaXinhuaSCMP has also given up on live reporting of the case but we do have this from RTHK:

Prosecutors at the corruption trial of the former chief executive, Donald Tsang, say he and his wife signed a hasty rental agreement over a penthouse in Shenzhen in 2012 "out of panic".

Queen's Counsel David Perry told the court the lease was signed in such a rush that the parties mistakenly wrote 8 million yuan in figures, and the correct amount of 800,000 in words.

He noted that the contract was signed when the press was widely reporting about Donald Tsang's conduct. The counsel described the lease agreement as a "smokescreen" to confuse the public.

Perry also said Selina Tsang transferred the 800,000 yuan in 2010 to businessman Bill Wong's company, which owned the penthouse and a media company that was applying for a radio licence.

The head prosecutor also noted that in July 2010, Selina Tsang also put HK\$350,000 into a joint account she and her husband had at the Bank of East Asia less than an hour after the bank's chairman, David Li – who's also a director at the media company – withdrew the same amount through a cash cheque from his own account.

Perry said while the defence may later suggest that this transaction has nothing to do with the case, "common sense" and logic can tell the jury that they are connected. He earlier said Li contributed to the HK\$800,000 rental that Tsang's paid to Wong's company.

Donald Tsang is accused of accepting as an advantage the refurbishment of a penthouse in Shenzhen that he had rented. It belonged to a firm partly owned by Wong. The former CE has also denied allegations of not declaring that an interior designer was working on the penthouse, when he recommended him to receive a government medal of honour.

Tsang has denied all allegations.

Nothing much new there, except that Selina, Mrs Donald, seems to be a

fast if inaccurate worker. One wonders why she and David Li aren't holding hands with the Bowtie in the dock.

Attending trials does occasion some interesting events. Guess who I saw in Pacific Place yesterday as I wheeled my bike through it.

Elsie Leung, the prize cow in the Tung herd. And still mooing at 98.

And here is the XinhuaSCMPAlibaba's take on today:

The transaction between Bank of East Asia chairman David Li Kwok-po and former Hong Kong leader Donald Tsang Yam-kuen's wife involved HK\$350,000 "in actual notes", the court heard on Thursday as Tsang's corruption and misconduct trial continued.

The money was withdrawn from Li's account, counted and deposited in Selina Tsang Pou Siu-mei's account in the space of half an hour, prosecutors alleged on Thursday.

Bringing further allegations against Tsang, who is accused of accepting more than HK\$3.35 million worth of benefits, the prosecutors said HK\$350,000 was withdrawn through a cheque by Li from the bank's Central branch at 9.20am on July 16, 2010.

At 9.55am, Selina Tsang deposited the same amount – in cash – into her account at the same branch.

"As a matter of pure common sense and ordinary inference, the prosecution say there's a clear connection," prosecutor David Perry QC told the jury on the third day of his opening remarks.

"It takes a bit of time to count that sort of money, HK\$350,000 in cash," Perry also told the High Court.

The amount went on to form part of the 800,000 yuan (HK\$895,060), the prosecution alleged, that Tsang and his wife paid that November to a company, the majority shareholder of which was Bill Wong Cho-bau. The businessman is at the centre of the trial due to Tsang's failure to disclose their ties involving a Shenzhen property.

It was alleged that between 2010 and 2012, the former chief executive had failed to make known to the Executive Council his relationship with Wong, also a major shareholder of radio station Wave Media, whose licence applications were being processed by the council.

The court earlier heard that Tsang intended to rent the three-storey Shenzhen flat in question, which was held by one of Wong's companies and which the prosecutors argued was designed in a luxurious fashion to Tsang and his wife's specifications.

Tsang, 72, has denied one count of accepting an advantage as chief executive and two further of misconduct in public office.

On Thursday, Perry also attacked a set of 2012 rental documents, including a rental agreement, found during the Independent Commission Against Corruption's investigation, saying that they were a "smoke screen", prepared "in haste and in panic".

Perry argued earlier that while Tsang's interest in the property appeared to date all the way back to 2010, the year a digital audio broadcasting licence was granted to Wave Media, the documents concerning the rental did not surface until media and public interest fell on his private life in February 2012. The rental agreement was signed on February 21 that year.

The prosecutor told the jury on Thursday that the rental agreement contained a mistake. Instead of consistently stating the rent as 800,000 yuan, it gave the amount as eight million yuan in one of the few instances when the amount was mentioned.

This indicated the document was prepared "in haste and in panic", Perry argued.

The agreement also stated that the amount covered "basic decoration", which the prosecutors suggested Tsang had not previously made any open reference to in his public remarks.

The court heard earlier that a floor plan showed the flat would boast a range of facilities including a library, a greenhouse and a calligraphy room.

"You have to decide if what we've seen ... was basic decoration," Perry told the jury on Thursday.

The prosecutor also cited a radio interview Tsang gave in which he said he was “a Christian” and “a Hong Kong boy” but made limited disclosure about the Shenzhen flat.

For instance, he said, Tsang said the rent of HK\$800,000 he was required to pay was at a market rate, but he failed to cite any lawyer’s advice or independent evaluation other than that given by Wong.

The prosecutor alleged that this was “a careful, controlled and limited disclosure”, to be made consistent with an announcement made by one of Wong's companies. He argued that Tsang and the businessman must have met after the existence of the flat came to light.

Tsang, Perry argued, attempted to shift the focus at one point by proposing a review board to study the framework concerning the declaration of conflicts of interest by officials rather than focusing on his alleged misconduct.

The trial continues on Thursday afternoon before Mr Justice Andrew Chan Hing-wai, with Chief Executive’s Office Permanent Secretary Alice Lau Yim expected to be called to the stand.

Something tells me Donald and Mrs Donald will not be in raptures tonight. David Li may well be on the line to his relative, the former Chief Justice.

In the afternoon the first prosecution witness was Alice Lau Yim, the current Permanent Secretary for the Chief Executive's Office. Queen's Counsel Clare Montgomery, for Tsang, questioned Lau when she admitted that she had access to diaries of chief executives, but private arrangements were not necessarily included.

Montgomery then asked Lau whether the official diary wrote about what her client did during the trips from November 5 to 7, 2010, which Perry alleged that he spent with Li. Montgomery said the Tsang couple went to Jiangmen, Guangdong, on November 5 and 6, 2010 for an official event and banquet, and Lau said it should be on the diary.

The trip turned from public to private and the couple went to Macau on the evening of November 6 to celebrate their wedding anniversary,



Montgomery said. Lau replied that there may still be records as security guards would be arranged for the then- chief executive.

Montgomery then requested searching the diaries for Tsang's trips, and present them in court to know what "he was actually doing."

(HK SUB-STANDARD)

## THE RITUAL IMMOLATION CONTINUES

13/1/2017

### LIVE UPDATES AT THE DONALD TSANG CORRUPTION TRIAL IN HONG KONG WITH THE CYCLING COURT CORRESPONDENT

**"Retirement can be a time of relaxation, but it can also be a time of uncertainty, as one makes the transition from the world of work to the world of leisure. If you are retired or will retire soon, you can learn here about various tips and government services that will help you to make a smooth transition to retirement and enjoy your new life to the full."**

### HONG KONG GOVERNMENT ADVICE ON RETIREMENT PLANNING

We are listening to a Government press officer I think. He is so uncommunicative, charmless and anonymous-looking, he must be a media expert. Everything is being translated although we are supposed to have a hip bilingual government. The focus is Donald's junkets to Macau and elsewhere. The Government didn't have records of Donald's private time so how did he get the information to ~~foet~~ inform the media? He asked Donald. Donald set up a committee of enquiry to review guidelines on the acceptance of hospitality, one of Donald's ploys for handling the heat of media exposés regarding his extravagant yacht, plane and hotel junkets.

The judge has his arms crossed, a sure sign that he is bored rigid. The British may be praised for creating the Judiciary. Unfortunately they also created our ball-aching Civil Service: opaque, devious, arbitrary, pettifogging, bureaucratic, conniving, supercilious, condescending and self-perpetuating. Like the present witness.

And Donald just gave me a smile. Well, I smiled first. Perhaps he thinks I am an ally.

We are back after the break. It was agreed by the committee that the Chief Executive should declare interests, just as other members of the Executive

Council. Such declarations were completed and available for public inspection. Donald was said to have adopted declaration since taking up office. There were no documents registering the practice so the information was obtained from the CE. Donald also adopted his own internal rule regarding travel on a private jet or yacht in his vacation. That's all right then. The fare which would be incurred on a public journey should be payable by him. That seems a good scheme: travel in luxury class and pay economy. There was no record of Donald's private activities or of this rule. The information was obtained from Donald. Donald made the rules and supervised them, keeping no records. He was player, referee and supervisor at the same time. Hitler of course adopted the same scheme when he invaded the Soviet Union, becoming simultaneously general, chief of staff and Head of the Army.

Legco questions were politely fended off by the Secretary for Mainland Affairs, curiously. Perhaps he was the best to answer pesky questions about endemic corruption.

Enter our old friend the Defender of Pinochet (DoP) aka Claire Montgomery, QC. The witness worked in the Commerce and Economic Development Bureau prior to working in Donald's Office. He was concerned with the application of Wave Media. Albert Cheng was the driving force behind the company - not Bill Wong, says the DoP. This may be an interesting line of defence arising. Albert influenced Donald, not grubby Bill. Albert is above board. Albert doesn't spread funny money about. Albert is kosher. So Donald is kosher. Just speculating, you understand.

Albert was controversial. He was also the chairman of Wave Media (WM). 2nd July 2008 memo written when the application by WM had already been made. There had also been the usual phony public consultation. The recommendation of the Broadcasting Authority was for WM. So Donald wasn't involved - the argument, one presumes. He didn't act on a payoff. He was just objectively and honestly accepting HK\$ 3.375 million in benefits and not mentioning the fact, even against his own guidelines and rules. WM would create healthy competition and be good for the economy. It all made good objective economic sense. Oh yes.

There is again reference to Ron Arculli recusing himself from discussion of WM because he was a shareholder. The secretariat would alert the clerk

to Exco if aware of any conflicts of interest. Arthur Li and David Li were no longer Exco members. Albert Cheng was in charge of WM. And Exco expressed approval of WM.

Time for lunch. Over lunch the distinction between Donald and Rafael Hui becomes clear to me. Hui is amoral. Donald is immoral. Hui is a wicked reprobate. Donald is a smarmy hypocrite. They made a good team.

And we are back with Mr Choi, the Government press officer who worked in Donald's office. The DoP is working on the general advisability of building a DAB network, consulting the Government thinking at the time. What she has to explain however is why Donald felt he could take over three million to do the bleeding obvious, if that is Wave Media was such an obvious choice. Presumably the money might be to make sure he didn't object. After all, Donald had been, rather unexpectedly, very sticky when it came to the West Kowloon Cultural District and look how much trouble that caused the grandees, and his friend Rafael Hui.

Just in from RTHK:

The High Court heard on Friday that there were no guidelines available for former chief executive, Donald Tsang, when it came to declaring personal interests.

Tsang is on trial for corruption and misconduct charges, including accepting advantages from businessman Bill Wong in return for granting a digital radio licence to his company.

The Permanent Secretary for the Chief Executive's Office, Alice Lau, gave evidence and conceded that there was nobody the chief executive could refer to for guidance when it came to declaring interests.

But she said public sensitivity on the issue had, if anything, increased over the years and an official's primary obligation was not just following procedures, but also conducting themselves in a manner that best avoided potential and real conflicts of interest.

Another witness, Kevin Choi, who was the deputy private secretary to Tsang, recalled that after the media reported the former leader taking private jet and yacht trips offered by friends in 2012, an independent

committee was set up to review the declaration system.

He said that in his correspondence with the committee, he stated the relevant laws in the Prevention of Bribery Ordinance did not apply to the chief executive. But Choi added that he also stated that the chief executive observed the rules governing Executive Council members, and voluntarily followed the codes for principal officials.

Now we hear from the Principal Asst. Secretary for the Civil Service, also in Cantonese. We are talking about Civil Service Regulations, how civil servants should perform their jobs. There are also regulations concerning conflicts of interest. One of the examples is a flat being redecorated free or at a reduced price.

It's Friday so we are POETS. Pop off early, tomorrow's Saturday.

The court proceedings today were tedium without end.

Pip, pip!

PS: Here's the Alibaba rag's take on today, vastly inferior to our own, I think you will agree.

Hong Kong's former top official relied on an unwritten rule for his private jet and yacht rides and only had to observe declaration codes "voluntarily", his misconduct and corruption trial heard on Friday.

As more evidence emerged in the trial that centres on his conflicts of interest, it was revealed that although a rule existed to govern former chief executive Donald Tsang Yam-kuen's travel expenses paid by his friends at the time he led the city, it was neither written in black and white in his office's records nor was it made known to the public.

The revelation was contained in a document produced by prosecutors at the High Court on Friday.

The document also said that the travel expense rule, adopted in 2007, did not surface until media reports in 2012 revealed Tsang's acceptance of a friend's yacht ride to Macau.

The document, introduced as evidence in the trial, was a reply written by the deputy private secretary of the Chief Executive Office in 2012. It was sent to an independent committee Tsang had set up to review the city's declaration framework for the top official following heightened scrutiny over his dealings.

The committee, the prosecutors earlier alleged, was Tsang's attempt to shift the focus on his possible misconduct in 2012 to a wider scope of the declaration framework.

Even with the rule, Tsang's office kept no records of his private activities, the court also heard on Friday.

Tsang, 72, has pleaded not guilty to one count of a chief executive accepting an advantage and to two counts of misconduct in public.

He is accused of concealing his ties with businessman Bill Wong Cho-bau over a three-storey Shenzhen property from the city's Executive Council, when the council was processing licensing applications by Wave Media, of which Wong is a shareholder, between 2010 and 2012.

It is alleged that Tsang intended to call the Shenzhen property his temporary retirement home. The property was owned by Wong's company.

According to the reply shown in court on Friday, a chief executive may consider accepting a friend's invitation "provided he pays to his friend the fare of the same journey ... he would otherwise have obtained from the market to show that he does not save any travelling expense by accepting an invitation".

The document stated the first time the rule was applied was when Tsang accepted his friend's offer to travel from Macau to Hong Kong on the friend's yacht.

Prosecutor David Perry QC asked Kevin Choi – the deputy private secretary of Tsang's office at the time and the person who signed the reply – how he managed to learn about the rule when it did not exist in any records.

“I obtained the information from the chief executive through different channels,” Choi, a prosecution witness, said.

The document also stated that, when it came to making declarations of an investment or interest, the chief executive only “voluntarily observed” the requirements that applied to Exco members.

## **A LINE OF DEFENCE ARISES**

**15/1/2017**

**"Retirement is a process which requires advanced planning and gradual psychological adjustment. Reviewing your needs and goals in terms of living standard, health care, finance, family life and other pursuits in life help you adjust to your retirement life. You may learn about preparation for retirement from books and share your expectations and worries with your spouse, family and friends."**

## **HONG KONG GOVERNMENT WEB SITE**

### **LIVE UPDATES AND COMMENTARY AT THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT**

The Defender of Pinochet, QC, currently mouthpiecing for Donald Tsang in an effort to score one single success in her many Hong Kong assignments, revealed something of her plan of attack on Friday as she was questioning the faceless impervious flint of a Government press officer called, we think, Choi. One vein of this Mission Impossible is to downplay the importance of Bill Wong, Donald's munificent friend with connections to the even more munificent and terminally corrupt Li family, and instead emphasise the importance of Albert Cheng. The problem with this strategy is that Albert would literally have his other unreattached arm chopped off rather than hobnob with the bowtied poison dwarf. But on the face of it, it's a kite worth flying. The three-million-dollar renovation has yet to be touched on by the defence. Presumably it was all meant to be paid back. And as Donald was making up his own conflict of interest guidelines as he went along and necessarily keeping them secret in the grand Civil Service tradition, who can blame him for being confused?

We are back this blowy, grey Monday morning with the Clerk to the Executive Council, the rationale and formation and functioning thereof. Completely absent in this so far are terms like time-serving, grandee, colonial throwback, politburo, opaque, dictatorship and unelected. Members do indeed have to register and declare interests. The obligation to make such declarations is a personal obligation and should be impartial



and unbiased. There is also a public register of interests and a confidential register of financial interests. Property investments were especially sensitive items. The line to take was the adoption of a stricter system than existing models. Oh yes.

A 1998 guidance note and a July 2010 guidance note were provided to every member of the EC. A member must tender disinterested and impartial advice and declare a personal interest in any matter under discussion. The CE decides if a member should withdraw. The aim is to maintain (*sic*) public confidence in members of the EC. One category of interests is those which require direct exclusion, the other is more indirect and is merely noted. The question is what the public might be led to reasonably think by considering the status of a pecuniary advantage or interest whilst giving impartial advice at the EC. Sponsorship and gifts over HK\$ 2,000.00 have to be declared within fourteen days on a form.

A week or two before a meeting the EC secretariat receives matters to be discussed and checks these against the register of members' interests and whether it is necessary to have a member withdraw. Now to the declarations of the CE, on a table first of *ad hoc* declarations. These were checked by the preceding Clerk, not the witness. Donald made 69 declarations for 44 different meetings. 19th April 2005 for example, he declared an interest as a voting member of the Jockey Club when considering preparation for the 2008 equestrian event at the Olympic Games. Later he declared an interest of his brother and an interest under the Public Bus Ordinance. And again he declared that his wife was President of the Girl Guides when discussion of its new Jordan headquarters came up. And so on. These were all rather harmless and tenuous. The implication is that Donald declared these as a smoke screen to obscure his more glaring and corrupt interests.

The whole system of declaration of interests was reviewed by an independent committee in 2012 and found to be generally sound.

Little do the barristers know that their gossip is conveyed out to the lobby by those pesky microphones. The DoP's voice does carry so.

It's the last session of the morning and the Clerk to the Executive Council is still there. We are going to look at minutes etc. related to Wave Media as made or presented at the EC. There is a confidential memo for example,

to approve a broadcasting licence for Wave Media. Interests were declared by Arculli and Dr Leung. There is also a loose minute regarding confidence in the EC. Arculli should be excluded from discussion and papers withheld from him. 3.7.2008 the exclusion application was approved by Donald as Arseculli had a personal pecuniary interest. Oh yes. 31.10.2008 Arculli also excluded. 15th Dec 2009 Henry Tang acting President EC and framework of digital broadcasting adopted, Arculli withdrawn, approved by Donald. Wave Media had difficulty operating a transmitter on Peng Chau.

2.12.2010 decision by the EC to approve in principle amongst others Wave Media for a digital broadcasting licence. Arculli again withdrew. Donald meanwhile was being very particular about declaring very indirect connections with a land development in Sheung Wan because of his association with the Institute of Architects. Later the broadcasting licenses previously given in principle were confirmed. And so on.

Documents relating to any Tuesday EC meeting are delivered to each member and the CE latest by the Friday before. 2010 or 2011 electronic circulation introduced with no hard copy.

In fact Tony Lam was EC Clerk in 2008, not the present witness, who only assumed her position under the present CE. Later Amanda Chan was appointed for the remaining term of Donald as CE. Apparently Donald's position in the Institute of Architects was known, not a declaration. Oh well. He still allowed it to stand rather than admitting his much deeper and corrupt association with Bill "Moneybags" Wong. it is unknown how many of the Donald "declarations" were actually proposed for him by the EC secretariat.

Audio-visual evidence will be presented later today. Hurrah.

I feel I have performed well beyond the call of duty today.

Pip, pip!

And here's the Alibaba Post's version of events today:

**Hong Kong leaders should follow Executive Council transparency rules, according to 1997 record read at Donald Tsang trial**

The city's leader should be bound by the same conflict of interest rules as the Executive Council, requiring they declare any personal interests before debating an issue, the jury at the bribery trial of former chief executive Donald Tsang Yam-kuen heard on Monday.

That conclusion only appeared in records of a 1997 Executive Council meeting read in court, offering a rare glimpse into discussions on transparency at the top of government as Hong Kong's return to China neared.

And it contradicts evidence given just days earlier that Tsang only had to "voluntarily observe" rules requiring Exco members to declare investments or financial interests.

In the second week of Tsang's High Court trial for bribery and misconduct in office, the court heard evidence from confidential minutes of a 1997 Exco meeting, where members discussed the standards of accountability for the city's leaders.

According to the record, read out by prosecutor David Perry QC, members agreed it would "be desirable" for the chief executive to declare interests, as this would avoid "unnecessary criticisms".

Witness Kinnie Wong Kit-ye, clerk to Exco since 2012, told the court there was a public register for members to declare personal interests, and a confidential register for financial interests.

It is the "personal responsibility" of Exco members to declare any interests in a topic that could be seen as a conflict of interest before the council discusses it, Wong said through a court translator.

But on Friday, Kevin Choi, who was deputy private secretary of the Chief Executive's Office in 2012, had told the court the chief executive only needed to "voluntarily observe" rules requiring Exco members to declare interests.

The court also heard how Tsang adopted his own rules on invitations from wealthy friends to use their private yachts and jets, and that even Choi didn't know the unwritten rule existed until a few months before Tsang finished his term as chief executive in 2012.

Tsang, 72, has pleaded not guilty to a count of accepting an advantage as chief executive and two others of misconduct in public office.

The prosecution alleges that while he was chief executive – and Exco president – he was negotiating with a major shareholder of radio station Wave Media, Bill Wong Cho-bau, over a luxurious three-storey Shenzhen penthouse he intended to retire in, and which Wong owned.

During his time as chief executive, Tsang approved applications by Wave Media for a digital broadcasting licence.

The prosecution says Tsang failed to declare his dealings with Wong while discussing Wave Media, despite making 69 declarations about other personal interests during his term.

## **RAFAEL IS SMOOTHING DOWN THE SHEETS**

**17/1/2017**

### **THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT**

This is a much more boring trial (because Donald is a much more boring man) than the Hui Kwok trial but it does have its moments. Chief of these at present are the antics of the SEVEN bodyguards which a nonentity has-been like Donald thinks he needs to get him safely in and out of court. Oh, there are more than that: guarding entrances and vehicles. Let's call the whole team fifteen. One really wonders whether the taxpayer should be footing the bill for this amount of vainglory. No one stabs dead meat. Meanwhile, two minutes' walk down the road in Stanley prison, Rafael Hui follows events with interest. His old boss and crony Donald will soon be joining him if there is any justice still in Hong Kong. And for only three million. Raffy is sure to have top bunk.

Here's the Alibaba on today. Somehow I couldn't persuade myself.

'It has to be whiter than white': Donald Tsang interviews played at misconduct trial reveal efforts to shift attention, prosecutors say

Jury hears for first time 2012 interviews in which former Hong Kong leader explains his attempts to avoid appearance of impropriety

Media interviews with Hong Kong's former chief executive relating to his use of private jets and yachts in 2012 were heard in full detail for the first time at his misconduct trial on Tuesday.

Radio and television recordings of Donald Tsang Yam-kuen responding to concerns over his use of friends' jets and yachts five years ago were played at the High Court as prosecutors sought to depict the former city leader as attempting to shift attention away from his actions by using the media.

Hong Kong leaders should follow Executive Council transparency rules, according to 1997 record read at Donald Tsang trial.

In a Commercial Radio interview played in court, Tsang was heard telling hosts how the public expected officials to go above and beyond the rules to avoid impropriety.

“It has to be white, or, as the English saying goes, whiter than white,” he said of the expected conduct.

During that radio appearance – met with protesters who called him “corrupt official No 1” – Tsang also pledged to set up an independent committee chaired by former Chief Justice Andrew Li Kwok-nang to look into how Executive Council members and the chief executive declared conflicts of interest.

Media reports in February 2012 followed a revelation that a friend of Tsang’s offered him a trip on a yacht to Macau to attend a banquet, the court heard on Tuesday. Allegations of possible misconduct ensued.

Those allegations, however, did not form part of the current trial. But the prosecutors produced the media interviews to show Tsang attempted to exercise damage control by disclosing scant information about a Shenzhen property and his tie to a businessman there.

Tsang, 72, has pleaded not guilty to a count of accepting an advantage as chief executive and two others of misconduct in public office.

The prosecution alleges that while he was chief executive – specifically, between 2010 and 2012 – Tsang failed to disclose to Exco that he was negotiating with a major shareholder of radio station Wave Media, Bill Wong Cho-bau, over the luxurious three-storey Shenzhen penthouse he intended to retire in, and which Wong owned.

In his opening statement earlier this month, prosecutor David Perry QC alleged Tsang used the media to shift attention from his conflicts of interest.

On Tuesday, the nine-member jury was played several audio and video clips from 2012 involving Television Broadcasting Corporation, Commercial Radio, and RTHK.

In dispelling public concern over the private trips, Tsang revealed to various media at the time that, since he had become the city's leader, he had only taken two jet and two yacht trips offered by friends.

He insisted he had paid for the trips, including HK\$5,900 to a friend taking him to Phuket, Thailand, and HK\$188,000 to another friend for a trip to Japan, according to the interview.

Tsang also briefly mentioned the Shenzhen flat, which he told an RTHK host was intended to be a temporary retirement home for him and his wife.

“I am a Hong Kong boy,” he told the host. “I will eventually return to Hong Kong to spend my remaining days.”

## **BRIEF ENCOUNTERS: THE CONSPIRACY TAKES SHAPE**

**18/1/2017**

### **THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT**

We have previously suggested that Donald looks awfully alone in the dock and when you pause to consider the facts, a clear conspiracy arises involving several absent culprits. Conspiracies are all about nods, winks, half-remembered suggestions, people witnesses may have met, meetings in out-of-the-way places, mysterious payments...difficult to prove but terribly easy to see. David Perry pummels away with the facts to damn Donald but another bigger picture arises, half-seen but equally nefarious, a useful adjunct, a pervasive stench of underlying corruption. No wonder Donald turned to a Li to try and get him off the hook. Whatever became of the former Chief Justice's committee of investigation into conflicts of interest? Was it Arthur or David who told him to back off?

The Alibaba missed this yesterday so glad we looked at the Sub-Standard today:

The interior designer for Donald Tsang Yam-kuen's lavish rented penthouse in Shenzhen told the High Court that he "was not close friends" with the former chief executive before the renovation project.

Barrie Ho Chow-lai said he had done two interior design works for Tsang's brothers - Charles and Norman - in 2008 following a referral by taipan Albert Cheng King-hon, the former Wave Media chairman.

Testifying for the first time at Tsang's misconduct and corruption trial, Ho said Cheng asked him to accept the offer by East Pacific Garden of a design project over a "casual conversation in a coffee shop" in early February 2011.

"Cheng did not give much details," said Ho, who accepted the deal after a few days. "But he did mention at that time that the chief executive would move into it."



Ho initially claimed not knowing any link between Wave Media shareholder Bill Wong Cho-bau and East Pacific Garden until he accepted the offer.

But later he said "it is possible" Cheng had mentioned in the same meeting that Wong was the landlord.

Prosecutor David Perry QC accused Tsang of not disclosing Ho's involvement in his flat's renovation when he nominated him for a medal of honor in 2011.

Tsang is also accused of failing to declare to the Executive Council that he was negotiating rental arrangements for the penthouse with Wong when taking part in the approval process of Wave Media's application for a broadcasting license.

Ho said Cheng first introduced him to Tsang in 2002.

The design fee was HK\$350,000, with half paid after signing the deal and the rest after completion of the project.

Before Ho's cross-examination, audio clips of Tsang defending himself after media coverage in 2012 were played.

Tsang said in one interview that the public now has much higher expectations on officials' conduct than before, adding it has to be "whiter than white."

Defending the rental arrangement and himself from accusations that he went on holidays using his billionaire friends' private jets and yachts, Tsang said in a Commercial Radio program that he insisted on paying back his share at "market price" and it did not result in any conflict of interest.

He claimed to have paid HK\$5,900 for flights to Phuket, HK\$188,000 for a trip to Japan in 2009, and HK\$500 for a return journey from Macau by yacht.

Tsang, who goes to a Catholic church every Sunday, said the intense

media attention made some fellow churchgoers suggest to the priest that "perhaps Tsang should attend mass somewhere else."

The audiovisual materials showed footage of the three-floor flat in Shenzhen.

Tsang has pleaded not guilty to two counts of misconduct in public office and one of a chief executive accepting an advantage.

## **THE HUBRIS OF TOILET BOWLS**

**19/1/2017**

### **LIVE: THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT**

Surely you can imagine Donald taking his interior designer down to the wine cellars of Government House and giving instructions. The good life is obviously addictive and once grasped, it can never be let go of. The intelligent toilet is a giveaway. Donald is clearly anally retentive and had so much to flush away. But he wanted it done with a Civil Service technocratic rigor. The ultimate horror of modern life is the toilet bowl which fills with water and surges towards one, refusing to empty. There's an image there of a long trial at the High Court. But enough of this scatology. On with the proceedings.

The design of former chief executive Donald Tsang Yam-kuen's intended temporary retirement home in Shenzhen – which included a calligraphy room, wine cellar and landscape garden – was “tailor-made” for him and his wife, the High Court heard on Wednesday.

The award-winning designer engaged for this purpose was specifically instructed to install an “intelligent toilet bowl” in the master bedroom toilet of the 6,700 sq ft mainland penthouse and put in a movable desk in the calligraphy room believed to be used by Tsang's wife, the nine-member jury was told.

Other instructions included setting aside storage space for Tsang's “souvenirs” – collected over his four-decade civil service career – which led to two suites being transformed into a “storeroom and walk-in closet”.

“How would you describe it? Is that basic design?,” prosecutor David Perry QC asked designer Barrie Ho Chow-lai, who testified on Wednesday.

“If I were asked to do a tailor-made design, I would not call it a basic design,” the prosecution witness replied.

Tsang, 72, has denied one count of accepting an advantage as chief executive and two counts of misconduct in public office.

It is alleged that he abused the city’s awards and honours system to secure Ho a medal of honour in 2011 for the design work done in the same year without disclosing their relationship to the relevant bodies.

On Wednesday, Ho testified that he had met Tsang’s wife Selina Tsang Pou Siu-mei – and sometimes Tsang himself – on 14 occasions between 2011 and 2012 to discuss the refurbishment of the East Pacific Garden penthouse in Shenzhen.

The meetings, the jury heard, took place at the Government House, which was Tsang’s residence at the time, Ho’s office, and the Shenzhen property.

“She’s quite an introvert. She did not express herself explicitly, that is, she would not show whether she’s happy or unhappy,” Ho said, recalling when he presented the preliminary plan to Tsang’s wife for the first time.

The designer said that during these meetings, Selina Tsang would suggest changes to the design. On one occasion, he recalled, she suggested removing the engine room of a swimming pool in order to enlarge a garden.

Although Ho testified that the design was “tailor-made”, he said the materials selected stopped short of being luxurious.

The court earlier heard that Ho charged a HK\$350,000 fee for his work on the HK\$3 million refurbishment of the three-storey penthouse, a sum prosecutors alleged was fully paid by companies run by businessman Bill Wong Cho-bau. The three-storey penthouse was also owned by one of Wong’s companies.

Tsang is accused of concealing his ties to Wong, a major shareholder of Wave Media, between 2010 and 2012, when the Executive Council he

presided over processed – and ultimately granted – the broadcaster’s application for a digital radio licence.

Ho said on Wednesday that representatives from Wong’s company participated in some of the meetings between him and Tsang’s wife in order to manage to project, which was carried out by a mainland contractor called Jinggong Decoration.

He denied having any direct contact with Wong over the redecoration of the Shenzhen penthouse, however.

The trial continues before Andrew Chan Hing-wai on Wednesday afternoon. (ALIBABA)

And from RTHK:

At the corruption trial of the former Chief Executive, Donald Tsang, an interior designer working on a penthouse he rented said he mainly received instructions from the former chief executive's wife, even though he wasn't paid by the couple.

The interior designer, Barrie Ho, said he was paid by the company that owned the Shenzhen property in 2011. The company, in turn, was partly-owned by businessman Bill Wong. But he never got in touch with the designer over the renovation.

The prosecution says the renovation was offered to the former chief executive by Wong to smooth the way for one of his companies to acquire a digital radio licence.

Testifying for a second day in the High Court, Ho said he'd had numerous meetings with Selina Tsang since February 2011. They also visited the site together twice, and was, on one occasion, accompanied by a Fungshui master hired by her.

About a month after they last visited the premises in January 2012, media reports linked the property to the licence application and questioned Donald Tsang's integrity. Soon, Ho said the owner of the property suspended work on the penthouse.

He said he has not heard from Donald Tsang or his wife since that time. And, it was only after Donald Tsang said publicly that he'd give up the property that the company told him to finish the work.

Donald Tsang is charged with accepting the free refurbishment from Wong. He also faces a misconduct allegation, for nominating Ho for a government award when he was working on the penthouse.

Prosecutors noted that Ho was informed that he'd be granted a medal of honour in June 2011, and attended an award ceremony in October that year – in between his regular meetings with the Tsang's. But he said he never discussed the award with the couple.

Barrie Ho felt that the clubhouse, presumably the original status of the premises Donald was going to move into, was unhygienic. He is being cross-examined by the Defender of Pinochet. There was karaoke and other unseemly activities going on there. People stayed overnight. But Donald's place wasn't luxurious. One hates to imagine then what tasteless horrors Ho has designed in Shenzhen for people with even less imagination than Mr and Mrs Donald. Apparently also the court is constructed of similar material to what Donald wanted, a similar veneer. There's more irony for you. It would be hard to rent out. The line of defence here is that it was quite reasonable and incidental to do the place up.

Now to Ho's trip to Government House for consultations with client on 18.2 2011. Mrs Donald was mostly involved in decisions but Donald was present for most of the meeting. Mrs D would be in charge. "Totally discrete" was one note. And what was being demanded was reasonably modest, no luxury brands. Simple, bright, clean, modern, tidy. A bit like Donald's wishes for both his retentive anus and his political image. But the truth, like detritus, will out.

15th March 2011 additional Government House meeting. Donald was seen only briefly. Selina, Mrs Donald, is shy so is easily guided. The plan was submitted to East Pacific Group. Drawings were made. If East Pacific made more than 30% changes, Ho could charge more. But there were no major changes. Just some local products instead of imported. Striping work was done June 2011 and the work designed by Ho commenced September and October. There was pressure to complete the work on time.

14th October request by Mrs Donald to dismantle a machine and/or a structural wall (for the swimming pool?). But this was impossible.

On the 22nd February 2012 Donald told the media he would move into a property in Shenzhen. The next day photos of the penthouses appeared in the newspapers, including one of a bath. Images were made from Ho's drawings. They seem to have come from a contractor for East Pacific or someone found them displayed on a wall on the site. 1st March Donald did a volte-face and announced he would not be living in the property. Work stopped before that date. Ho was not approached by journalists before the news coverage.

We take a coffee break early. And I have a puncture which must be attended to immediately.

Just in from RTHK:

The designer – who had worked on a Shenzhen penthouse which former Chief Executive Donald Tsang rented – said the project had nothing to do with a prestigious award that Tsang nominated him for.

He was testifying at the trial of Tsang, who faces charges of bribery and misconduct.

The prosecution in Donald Tsang's corruption trial alleges that the former CE had nominated designer Barrie Ho for a medal of honour, to thank him for designing the interior of the property.

But when questioned by the defence, Ho said neither Tsang nor his wife had told him that he was getting the reward. He said no one had told him that the award was a token of thanks from Tsang.

Ho had earlier said he was informed by the Protocol Division of the government secretariat that he'd be getting the reward.

Ho also said that the property used to be a club house that people used for entertainment – such as karaoke and dinner parties – and it had been left in a dilapidated state. Ho agreed that it would have been difficult for the owner to rent the space out without spending some money on renovation.

The refurbishment was paid for by the property owner – which was partly controlled by businessman Bill Wong.

The Prosecution says the free renovation was an advantage offered by Wong to Tsang so he would grant a digital radio licence to another company party owned by Wong.

Fully inflated, we are back for the afternoon session. In the lobby there are more attendants and bodyguards than audience. Interest in the case is waning. But in the past, performances by the Defender of Pinochet have so often been " *We know you're not boring but don't go on about it.*"

We are now getting six witness statements read to us. Such bliss. They are from the ICAC, outlining some of their investigations, searches, interviews. And there are exhibits to deal with. It would be nice to see some of those, particularly pictures and drawings of the renovations.

After almost an hour of this we have some discussion about summarizing statements, which would greatly speed things up.

The next witness, Ms Fung, an accounting, personnel and administration employee of Barrie Ho, is here to formally produce two emails she sent on behalf of Barrie Ho to fanny@albertcheng.hk. The email was a renovation contract for Donald's flat which Ho asked to be forward to Bill Wong of East Pacific and was dated 2nd Feb. The fee was 350K as directed by Barrie Ho.

We now looking to close today at some banking documents concerning Barrie Ho Collections, to prove the two payments made to Barrie Ho by East Pacific: a cheque 7.3.2011 for 175K and another payment on 6.7.2012. The renovation as a long process, never checked or interrupted by Donald or Mrs Donald until it all became public when it was dropped like a hot brick.

Huurah, we get a fund flow chart tomorrow. Well, probably not for us. For the jurors.

We also hear about the cheques issued by East Pacific. And so on.

Hopefully we will have more interesting events tomorrow.



Thank you and good night.

Pip, pip!

## NICE PAD IF YOU CAN GET IT

201/1/2017

### LIVE UPDATES AT THE DONALD TSANG CORRUPTION TRIAL AT THE HIGH COURT IN HONG KONG WITH THE CYCLING COURT CORRESPONDENT

The fact that Donald and Mrs Donald entered a period of paroxysmal panic when contemplating retirement is doubly ironic when you remember that for decades Tsang sat in meetings and examined policy documents dealing with the plight of the elderly in Hong Kong. He did practically nothing, as much as he did to provide affordable accommodation for the masses. The second irony is that none other than his friend, wastrel crook Rafael Hui, was appointed to preside over the scheme of high banking banditry known as the Mandatory Provident Fund. The panic and poverty of old people all over Hong Kong was the result and one that endures. Donald caught some of the backwash.

*THE HK SUB-STANDARD WRITES:*

*The Shenzhen penthouse that former chief executive Donald Tsang Yam-kuen rented used to be a dirty clubhouse and karaoke bar that allowed guests to stay overnight, its interior designer told the High Court.*

*Barrie Ho Chow-lai also described the flat in East Pacific Garden as "dilapidated" and "unhygienic" before it was renovated.*

*"I am no expert in real estate," Ho said. "But I would say it would be difficult to rent out the apartment without the renovation work."*

*He said Tsang's wife, Selina Tsang Pou Siu-mei, wanted the three-story unit to be complete when it came to home functions though she did not request any high-end brands or materials.*

*Ho said he did not know that Tsang, who is accused of bribery and misconduct, had nominated him for the Medal of Honor.*

*Tsang also never suggested that the award was connected to his renovation work, he added.*

*Ho first went to the flat on February 11, 2011 to assess whether his HK\$350,000 consultation fee was appropriate. He signed the contract a few days later, paid for by the East Pacific Group.*

*Ho first talked about the project with Tsang and his wife on February 18 that year at Government House.*

*Notes made immediately after that meeting also mentioned that Selina Tsang wanted the design to be "simple, bright, modern, clean and tidy."*

*Explaining why the notes were marked "discreet," Ho said he believed the project should not be leaked as it involved "confidentiality and privacy" of clients.*

*Ho learned about his nomination for the Medal of Honor in June 2011 - just before the announcement on July 1.*

*After that, meetings went on between Ho's team and Selina Tsang - the last one on October 16, just before the award ceremony on October 29.*

*There was "no mention of the medal at all" at the last meeting.*

*Ho insisted he had no prior knowledge of the medal. He also said he did not know that Tsang would be the person ultimately approving the list of awardees.*

*Tsang allegedly approved Wave Media's license application without declaring his dealings with the East Pacific Group, which was partly owned by Bill Wong Cho-bau, a shareholder with the broadcaster.*

*Tsang has pleaded not guilty to one count of accepting an advantage and two other counts of misconduct in public office.*

*Meanwhile, Justice Andrew Chan Hing-wai said he was concerned whether the trial could conclude on February 16 as scheduled.*

*In response, David Perry QC assured it "would speed up" after Ho and his assistant finished their testimonies.*

*And the Alibaba:*

*The intended retirement home of former chief executive Donald Tsang as an "unsanitary", "unhygienic" and "dilapidated" clubhouse before it was turned into a luxury penthouse, the High Court heard.*

*The transformation of the East Pacific Garden penthouse in Shenzhen, was to include a gym, calligraphy room and a landscaped garden, and was Tsang's planned temporary residence after standing down in 2012.*

*Details of the 6,700 sq ft mainland penthouse were described to the jury on Thursday. Award-winning designer Barrie Ho Chow-lai said he found the site in a dilapidated condition during a pre-makeover site visit in February 2011.*

*"I found that it was very unsanitary...unhygienic," Ho said, noting a "crumbly shower unit".*

*Ho said the woman who showed him around the premises had told him that clubhouses in the mainland were different from those in Hong Kong.*

*"I was informed that there were commercial activities, entertainment, dinner parties and karaoke, and also that the people who used the clubhouse were allowed to spend the night there," he said.*

*It is alleged that Tsang abused the Hong Kong awards and honours system while in office. He nominated Ho for a medal of honour in 2011 and while doing so, did not disclose to relevant bodies that the designer was carrying out renovation work for him. This non-disclosure brought about the charges of misconduct in office.*

*In court on Thursday, however, Ho agreed with his lawyer's suggestion that Tsang had never mentioned that the medal of honour, which he received in 2011, was connected with his private design work for the chief executive, nor did Tsang tell him that he had nominated him.*

*Under cross-examination, the designer also testified against the*

*prosecution's suggestion that the penthouse property was a "luxury one", because the Tsangs did not request luxurious brands.*

*A document recording Tsang's wife's requests said: "bright, clean, modern and tidy". An intelligent toilet bowl, a walk-in closet and a moveable table fitted in a calligraphy room and believed to be used by Tsang's wife Selina Tsang Pou Siu-mei, were all part of the design.*

*Ho began work on the penthouse in 2011, but it was suspended in 2012 when media reports revealed Tsang's plan to live there. Ho said during the time he did work on the project, he mostly dealt with Selina Tsang.*

*The court earlier heard that Ho charged a HK\$350,000 fee for his work on the HK\$3 million refurbishment of the three-storey penthouse, a sum prosecutors alleged was fully paid by companies run by businessman Bill Wong Cho-bau. The three-storey penthouse was also owned by one of Wong's companies.*

*Tsang is also accused of concealing his ties to Wong, a major shareholder of Wave Media, between 2010 and 2012, when the Executive Council he presided over processed – and ultimately granted – the broadcaster's application for a digital radio licence.*

*Ho agreed with his lawyer's suggestion that Wong's company did have a say on the property's design work.*

*Tsang, 72, has denied one count of accepting an advantage as chief executive and two counts of misconduct in public office.*

*The trial continues before Mr Justice Andrew Chan Hing-wai.*

LIVE

We join Mr Perry as he is describing his famous flow charts of funds, this time those in and out of Mrs Donald's bank accounts. It must be quite stressful depositing and withdrawing a million on the same day all the time. And why would you want to do it? There were quite a lot of conversions of Hong Kong dollars into yuan. Mrs Donald went for the maximum conversion limit available at the time. She built up sums of a million yuan then paid these into a time deposit.

Interesting comment just came in:

"Good to see Sir Donald's smiling face at Liaison Office's Annual Spring Reception yesterday evening right after court appearance. Funny that he's guest of the Judiciary at defendant dock in the day, but VIP of the Liaison Office in the evening, which does not give a damn to Judiciary independence. In any event a very welcome break for Donald no doubt, and the smiling face reveals it all."

Sadly it appears that we will not be given access to the delicious prosecution flow charts.

Revenge of the bodyguards. We are going to hear from the one (not seven) who accompanied the Donalds to the Mainland on 5th November 2010, a Friday. This one looks awfully young and rather weak as bodyguards go. He was in a team of four. At least one was on duty at all times. CEPSCO daily report - Chief Executive Personal Security Officer. Sent to S&T Team Commander. Another officer was in reserve. 18.00 Friday they left Hong Kong and returned Sunday. 23.00. 8.50-9.35 event about low carbon for quality living. As if Donald would know anything about that. RECCE reconnaissance report mentions no rec, and no training. Perhaps, as they are publicly funded and policemen, bodyguards should also mention any shady activity their bosses get up to. They are trained observers after all. On the Mainland, the local authorities take over responsibility. The bodyguard has "no impression" of meeting Bill Wong. No memory, when prompted. On a daytime trip he stays in the car, in the evening he changes cars. Donald was going to Jiangmen for an official dinner on this date, but the bodyguard can't remember. The return was going to take place from Macau. He would be handed over to the HK security at the Macau ferry pier.

Donald was questioned about two yacht trips from Macau to Hong Kong during the Beautiful Sunday radio programme. He got off at Peng Chau and Lantau to go hiking February 2012 and April 2011. The yacht was 30-40 metres long and had three decks. There were about twenty people on board. Sadly, the judge does not wish Mr Perry to go any further with this line of questioning so we will never know how many unaccompanied girls were present, what the sleeping arrangements were and how many bottles of champagne were drunk.

Time for lunch.

Back and Mr Perry is talking with a BEA employee about the 16th July 2010 cash cheque for 350K issued by David Li. It would take her about five or ten minutes to get the cash. The whole process would take 20-25 minutes. It was strange that such a large cheque was not paid into an account, suggests Mr Perry. This dialogue is in connection with the very rapid actions of Mrs Donald that particular morning. The cheque had four signatories. A store room docket had to be filled out. this is all ballachingly detailed and the DoP has joined in so there may be no end to it. Now the judge has joined in too. An officer in the cash store used the counting machine and issued the cash. The cashier must be accompanied. The cash is counted again. The judge can't believe this only happens once.

Another BEA employee. This time concerning deposit of the 350K, not the withdrawal, by Mrs Donald. It would normally take place in a conference room for such important customers, with a Mr Ho.

This is all I can stand today. I am going to cook something nice and try to forget the world of graft, greed and hypocrisy.

Pip, pip!

(Alibaba Xinhua) A clerk who withdrew HK\$350,000 on behalf of the Bank of East Asia chairman – a sum which was allegedly given in cash to former chief executive Donald Tsang Yam-kuen and his wife – denied four times in court on Friday that she had any detailed recollections about the transaction.

Although evidence showed bank clerk Chong Suk-han had cashed BEA chairman David Li Kwok-po's cheque, she testified that she "did not remember" what happened afterwards, despite the prosecution's allegation that the sum had somehow ended up in the joint account of Tsang and his wife, the High Court heard on Friday.

The prosecution alleged that the cash was then used as part of an 800,000 yuan payment in November 2010 to a company connected to businessman Bill Wong Cho-bau – the man with whom Tsang was negotiating over the

three-storey penthouse apartment in Shenzhen. Tsang had intended to retire there after stepping down as chief executive in 2012.

The former chief executive is accused of failing to declare to the Executive Council his relationship with Wong, a major shareholder of radio station Wave Media, between 2010 and 2012, when he was approving the company's broadcast licence. BEA chairman Li was also a major shareholder of the radio station.

On July 16, 2010, Chong cashed the cheque at 9.20am at BEA's central branch, the former chief executive's bribery and misconduct trial heard on Friday. This was just 35 minutes before Selina Tsang Pou Siu-mei, Tsang's wife, deposited the same amount at the same branch.

Despite a lack of evidence of the cash handover, "common sense" would show there was a clear connection, the prosecution told the jury in its opening statement last week.

Chong, when asked yesterday if she remembered what she did with the money after withdrawing it, said: "I don't remember."

She also said she had no recollection of what she was told to do with it, or even handling the cheque at all.

The clerk, who was cross-examined by defence lawyer Clare Montgomery QC, denied ever meeting Tsang's wife or giving her the cash.

BEA employees, who dealt with the transactions on July 16, 2010, were questioned by the defence on how long it would take to withdraw and deposit HK\$350,000 in cash.

Officer Hung Hoi-yin said that after the deposit of the cheque, it would take about 20 minutes to withdraw the cash, while former bank teller Lai Sheung-man said the entire deposit process would take about 10 to 15 minutes.

On Friday, bank documents presented in court also showed Tsang and his wife made 36 conversions from Hong Kong dollars to Chinese yuan between July 16 and September 3, 2010, amassing over 1 million yuan during that period.



## **DONALD AND THE MONEY LAUNDERERS**

**22/1/2017**

### **LIVE UPDATES AND COMMENTARY AT THE DONALD TSANG CORRUPTION TRIAL HONG KONG WITH THE CYCLING COURT CORRESPONDENT**

Those amongst us fearful that only HSBC and Standard Chartered Bank offered premium graft and money laundering services in Hong Kong were reassured last Friday afternoon when listening to the testimony of Bank of East Asia staff at Donald Tsang's corruption trial. BEA, let us recall, provided the real goods for Rafael Hui (much more than he got from the Kwoks at Sun Hung Kai), an unsecured and unrepaid overdraft of sixty million, and it was the address for Donald and Mrs Donald to go to for a quick supply of readies, issued if need be as a cash cheque by the Chairman of the Board Sir David Li on the 27th floor. BEA staff are, it seems, especially obliging. They see nothing, remember nothing. Dates, amounts, signatures, locations, issuers of cheques, recipients, verifications are instantly forgotten, if indeed they were ever noticed at the time. For a money launderer or an operator of graft, the Bank of East Asia is surely guilt-edged. Get in now and take a large bag.

**LIVE**

There is still banking evidence going on, at present Mrs Donald buying RMB.

And greetings to our many faithful readers both at home and abroad. Sadly I cannot offer total coverage but I hope you get most of the flavour if not all the flesh and bones.

It's the last hour before lunch. Donald and Mrs Donald thought it a good idea to invest time and money in penthouses in Shenzhen because it all looked a million miles away from Hong Kong's curious press. Getting the readies together was a wearisome task as there were controls on the conversion of HK dollars into RMB. Mr Ho is in the box. From a distance he could be Rafael Hui. I think he is from BEA and has already been mentioned by the tellers, one of the few names they can recognise. He is able to recognise his own signature. When Mrs Donald comes to the bank,

she is invited to the meeting room. Bank charges are waived for good customers. Nothing unusual about that in this case, says Mr Ho.

Like Frances Urquhart's wife in House of Cards, Mrs Donald looks after the money generally and supervises the funding arrangements for retirement.

TBWTSC (the Teddy Bear With Tungsten Steel Claws) aka David Perry stands up to pursue Mr Ho who is immediately confused. What funds are we talking about? I suppose after a minute, he has completely forgotten the details of what we have been talking about the last hour or four. The funds amounted to 5 million RMB. As Mrs Donald's relationship manager, was Ho ever told what the funds were for? Naturally he can't remember. Would 800K RMB in 2010 be worth a different amount to 2012? The value of RMB went up over time.

On to Rita Lau, a civil servant (from 1976) responsible for DAB licenses. She was appointed Secretary for Commerce and Economic Development in 2008. Broadcasting Authority and Telecommunications Authority came under half of her remit, communications and technology branch.

Television and Entertainment Licensing. Broadcasting licenses are a legal requirement and licensing is of public interest as the radio spectrum is a public resource for the benefit of the public. After public consultation etc Ms Lau's bureau makes recommendations to the Executive Council. The Telecommunications Ordinance applies (especially 13c thereof). Certain people are disqualified from controlling a broadcaster but the EC and the CE may exercise their discretion in the public interest. A Legco brief and a press release are also prepared. Ms Lau was also a member of the EC. 9th July 2008 sound broadcasting license application from Wave Media. Concern that the pro-establishment set-up of DBC would alienate the public. There was a two-phase process, approval in principle and then terms and conditions gone into. Then the second submission when approval and permission are finally given in the EC. The license was approved and Wave Media was included in the Bribery Ordinance schedule as it was a public broadcaster.

Did interesting events occur in the afternoon session?

Probably not. But what's this in from RTHK?

A former commerce and economic development secretary, Rita Lau, has told High Court that former Chief Executive Donald Tsang did not try to influence her on matters relating to digital radio licensing.

Her remarks came after the prosecution alleged Tsang had accepted advantages from a businessman, Bill Wong, and granted his company a licence in return.

Lau was responsible for promoting digital radio broadcasting and licensing for radio stations between 2008 and 2011. Questioned by defence counsel, she agreed that Tsang had not acted in any way out of the ordinary to try to influence her.

The court heard that Wong's company was one of several that applied for a digital radio licence in 2010. Lau said all the applications were dealt as per established procedure and in line with the government's policy of promoting digital radio services.

She also agreed that if there had been conflicts of interest on the part of anyone, she would expect them to be disclosed.

Tsang is accused of accepting, as an advantage, free refurbishment of a three-storey penthouse from Wong, in return for the granting of a licence to one of his companies.

Earlier, the court heard testimony from a bank manager at the Bank of East Asia. He was shown records of Selina Tsang changing Hong Kong dollars to one million yuan in 2010. She also transferred some of the mainland currency to a bank in Shenzhen the following year.

The prosecution has alleged that she made the conversions to pay rent for the penthouse.

But the defence counsel noted that since renminbi was appreciating through 2010 to 2012, many people were buying the currency. The banker agreed, and added that the interest rate in the Shenzhen bank was probably higher than it would be in a Hong Kong bank.

It was also revealed that the couple had more than HK\$55 million of assets in their bank accounts in 2010.

And yet more from SCMP Alibaba:

Former Hong Kong chief executive Donald Tsang Yam-kuen's wife showed "a pattern" of converting Hong Kong dollars to Chinese yuan, the High Court heard on Monday, as the prosecution alleged the couple "prepared" yuan to pay a company at the centre of Tsang's misconduct and corruption trial.

But Tsang's defence counsel said the movements of money into and out of the couple's HK\$60 million bank accounts were "normal".

The prosecutors earlier alleged that in 2010, Tsang's wife transferred 800,000 yuan to a company owned by businessman Bill Wong Cho-bau. Wong owned another company on the mainland which ran a Shenzhen three-storey penthouse, the property Tsang intended to stay in after he stepped down in 2012. The former chief executive is on trial for his failure to declare his ties with Wong.

It is alleged that Tsang did not disclose his penthouse negotiations with Wong, a shareholder of Wave Media, between 2010 and 2012, when the Executive Council which he was presiding at the time approved radio licence applications for the broadcaster.

Tsang, 72, has denied two counts of misconduct in public office and one of accepting an advantage as the chief executive.

The prosecutors told the court that between July and September 2010, there were 36 transactions where his wife Selina Tsang Pou Siu-mei converted Hong Kong dollars into yuan, to prepare for a payment eventually given in November to Wong's East Pacific Holdings. The payment was also marked "urgent", the court earlier heard.

On Monday, defending counsel Clare Montgomery QC said there were other conversions and transactions before and after the 36 occasions, in which Tsang's wife converted Hong Kong dollars into Chinese yuan and deposited them into her mainland bank account.

“Before June 2010, right up to ... the autumn of 2011, she had a pattern of buying renminbi?” Montgomery asked senior manager Ho Yiu-keung of Bank of East Asia’s Central branch. Ho agreed.

To set the scene for her questions, Montgomery shared a rare glimpse into part of the couple’s financial situation in 2010: she revealed that the couple were sitting on between HK\$25 million and HK\$35 million in their joint BEA account in 2010, while Selina Tsang held another HK\$25 million in a separate personal BEA account.

The couple also held mainland securities bonds, worth 190,000 yuan, via the joint account, and a sum of 252,000 yuan in the same account.

The defence counsel suggested that many Hongkongers were keen to convert their money to yuan between 2010 and 2012 because of the yuan’s then rising interest rate and value against the Hong Kong currency. The bank manager also agreed.

The defence counsel cited some of the transactions between August and November 2011: for example, Selina Tsang had moved a total of 5 million yuan from her personal Hong Kong account to her BEA account in Shenzhen through more than 60 transactions. These were all marked “urgent”, just like the payment she made to Wong’s company.

The prosecutors also alleged that HK\$350,000 of the 800,000 yuan payment made to Wong came from BEA’s chairman David Li Kwok-po, and that the bank had waived the administrative fee when processing that payment.

“It is normal, isn’t it, for ... good customers to [have their bank charges waived]?” Montgomery asked on Monday, to which Ho agreed.

Li was also a shareholder of Wave Media, which was later renamed Digital Broadcasting Corporation.

À demain.

Pip, pip!

## ENTER THE RED HERRINGS

24/1/2017

### LIVE UPDATES AND COMMENTARY AT THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT

Rafael Hui never did do much for all his bribes and Donald didn't do much either. As far as we know, Raffy gave Thomas Kwok and others only the odd hint regarding the progress of the intended land grab by SHK in the West Kowloon Cultural District but was never daft enough to try and steer opinion in any particular direction. Donald and his fellow conspirators at Wave Media were equally wise and resolute. In fact there was no need to egg the pudding. Wave Media's DBC was a good idea, digital audio broadcasting can accommodate a lot of broadcasters on a little sliver of the ether, there wasn't all that much competition, DBC had lots of moneyed members of the Establishment behind it and a good figurehead, nice silly mediamaniac Albert "Give me a microphone" Cheng. The fact remains that Donald got his three penthouses done up for nothing and told no one about it. Guilty as charged. Next.

*(SCMP Alibaba) A former minister in charge of broadcasting was never put under undue influence to grant the radio licences at the centre of Donald Tsang's corruption trial, the High Court heard yesterday.*

*But taking the stand yesterday against her ex-boss, who is accused of failing to declare interest, former secretary for commerce and economic development Rita Lau Ng Wai-lan stressed that when such matters arose, she would expect those involved to make the necessary declarations, as the public expect government officials to act in good faith.*

*Lau was asked to give her account of an AM radio licence and a digital audio broadcasting licence granted to Wave Media between 2008 and 2010 when she headed the Commerce and Economic Development Bureau.*

*Tsang, 72, is accused of concealing ties with businessman Bill Wong Chobau between 2010 and 2012, when the Executive Council he presided over*

*granted the digital licence to Wave Media, of which Wong was a major shareholder. Tsang is accused of keeping his cabinet in the dark about his negotiations with Wong to rent a three-storey Shenzhen penthouse after he retired in 2012.*

*The penthouse was not only owned by one of Wong's companies, but its HK\$3 million "tailor-made" refurbishment, for Tsang and his wife, was all paid for by companies the radio boss owned, the prosecution said.*

*Tsang has denied two counts of misconduct in public office and one of accepting advantage as chief executive, an offence introduced during his term in office.*

*When prompted by prosecutor David Perry QC yesterday, Lau told the court her bureau had granted all radio licences, including the ones for Wave Media, in accordance with the rules at the time. She said they were also granted in line with the digital audio broadcasting service policies her bureau helped formulate from 2009 to 2010.*

*"You were not subject to any undue influence by any persons?" the prosecutor asked.*

*"No," she replied.*

*Under cross-examination by Clare Montgomery QC, Lau agreed she never felt the government had compelled Wave Media to resort to bribery regarding a separate AM licence bid in 2008.*

*Earlier, prosecutors alleged that in the months leading to Wave Media receiving its digital licence in 2010, Tsang and his wife made 36 conversions from Hong Kong dollars to Chinese yuan to "prepare" 800,000 yuan for Wong's company in November that year. The amount matched an apparent lease in 2012 for the Shenzhen penthouse.*

*But yesterday, the defence counsel suggested that Tsang's wife showed a "pattern" of converting dollars to yuan because of the mainland currency's rising value against the dollar between 2010 and 2012.*

*Montgomery shared a rare glimpse into the couple's financial situation in 2010: The Tsangs had HK\$25 million to HK\$35 million in a joint BEA account in 2010, while Selina Tsang Pou Siu-mei held another HK\$25 million in a separate personal BEA account.*

LIVE

Sadly, Rita the Non-Maneater, former media minister, is still on with the Defender of Pinochet. If Donald didn't intervene, everything would be fine. We know that already. But that isn't what is being asked. Non-interference was an important factor for the Government. Wave Media's application was going to go ahead. They were going to get a good deal of bandwidth, as they had applied for. So what? But we doubt if that will be asked either. The contacts between TALA and Wave Media were quite normal. The application process was normal.

And Donald behaved quite normally too, except that he didn't mention his retirement landlord, his wife picking up a cash cheque from a Wave Media director which exactly matched the amount charged by the interior decorator of his Wave Media-owned retirement penthouses; and the fact that extensive personalised refurbishment on a grand scale was being negotiated in minute detail but was going to be paid for by Wave Media. In that sense, normal behaviour wasn't normal at all.

Donald was an honest dedicated public servant, says Rita.

Now over to Mr Perry. When did Rita first learn about Donald's links to the property in Shenzhen? In the newspapers. She would see him weekly. He never mentioned his plans to move to Shenzhen or his personal connection to Bill Wong. He never told her BW had arranged refurbishment. Does openness and transparency include declarations of conflict of interest? Yes. Can an application for a license ever be guaranteed success? No. Who was the ultimate decision maker? It was the Executive Council.

The judge has some questions. Documents regarding licensing applications are passed to EC members via the Exco secretariat. Two other applicants already held broadcasting licenses but Wave Media was a new applicant. But it wasn't, said the judge. It had already been given an



AM license in 2008. The other two operators had already performed and been monitored.

Some details of Wong Cho Bau:

Mr. Wong Cho Bau, JP serves as the Chairman of East Pacific (Holdings) Ltd., Shenzhen East Pacific Group Ltd., Donghai Airlines Co., Ltd. and Donghai Jet Co., Ltd. He serves as a Director of Friends of Hong Kong Association Ltd. He has been an Independent Non-Executive Director of Sino Land Company Limited since January 20, 2015. He has 30 years of extended business experience and is one of the pioneers on the establishment of business in Shenzhen Special Economic Zone. Mr. Wong served as Independent Non-Executive Director for Sino Land Co. Ltd. from March 2011 to October 23, 2013. His business interests have expanded from property development to industrial and aviation. Donghai Airlines Co., Ltd. is the first proprietary air cargo company in China and Donghai Jet Co., Ltd. actively develops chartered jets for business and private travels. Mr. Wong is a National Committee Member of the 10th and 11th Chinese People's Political Consultative Conference. He was formerly a Councilor of the 1st and 2nd Council of China Overseas Friendship Association and a Standing Committee Member of the 8th, 9th and 10th All-China Youth Federation. Mr. Wong is an Executive Councilor of the 3rd Council of China Overseas Friendship Association and a Committee Adviser of Hong Kong Association for The Promotion of Peaceful Reunification of China. He is also a member of China Trade Advisory Board of Hong Kong Trade Development Council and a member of the Customs and Excise Service Children's Education Trust Fund Investment Advisory Board.

Now some more admitted facts regarding amongst other things shareholding. Bill Wong bought a lot of shares of Wave Media in 2013. It was on the way out by then. As a Mainland agent and bagman, Wong seems to have been employed to at first hem in then wipe out and close down irritating DBC. But there was probably no need. It was dying anyway. Yet the Chinese Communist Party likes to be sure of things. They also like to pay people off rather than rely on anything more open-ended, idealistic, nebulous, devious or tenuous. Funds allocated to Donald were good insurance policy, safe and reassuring. A greedy bourgeois capitalist official is a phenomenon the CCP instantly recognises as something manipulable, predictable and comforting.

DBC was in the end a natural failure, a plethora of stations and programmes no one wanted to listen to. There was no English content either. Strangely, RTHK never put its classical music station Radio Four on DAB, a decision which obviously alienated a lot of potential users of the new medium.

Digital Broadcasting Corporation Hong Kong Limited (DBC) ([Chinese](#): 香港數碼廣播有限公司), former known as Wave Media Limited ([Chinese](#): 雄濤廣播有限公司), is a licensed independent digital audio broadcasting (DAB+) operator with most number of channels in Hong Kong. DBC was granted license by the [Hong Kong Broadcasting Authority](#) in March 2011. There are currently four operators providing digital audio broadcasting services with a total of 18 channels. Being the largest digital broadcaster in the territory, DBC operates 7 channels. Major shareholder of DBC is [Bill Wong](#). Board of directors are [Arthur Li](#), [Ambrose Lee Siu-kwong](#) and [Loh Chan](#).

In summer 2012, DBC underwent a period of corporate dispute, leading the station to closure. [Albert Cheng](#) said shareholder Bill Wong had refused to invest more funds after receiving instructions from an unnamed official at the [Central Government's Liaison Office in Hong Kong](#). The radio station announced its closure on 10 October 2012. On 19 October 2012, activists and radio hosts began a three-day sit-in protest in front of the government headquarters in Admiralty.

On 20 December 2013, DBC held its grand re-launch. Calling an end to the previous corporate dispute was the restructuring of board of directors. Albert Cheng is no longer a shareholder of nor a host in DBC.

DBC decided to close and return its operating licence to the government with effect from 7 September 2016 affecting 113 staff, because the digital audio broadcasting was not popular, and it did not receive enough advertising to support its expenses.

And here is RTHK on today:

The corruption trial of former Chief Executive, Donald Tsang, has been told that it was "not necessary" for businessman Bill Wong's company to bribe anyone to get a digital radio broadcasting licence from the government.

The suggestion was made by Tsang's lawyer, Clare Montgomery, when she cross-examined a former Secretary for Commerce and Economic Development, Rita Lau, on Tuesday.

Montgomery noted that the application by Wave Media, which was partly owned by Wong, had received positive assessment by both the then-Broadcasting Authority and Lau's bureau at different stages, and was eventually forwarded to the Executive Council for approval.

She put to Lau that it would not have been necessary for the company to bribe anyone to get the licence.

Lau responded by saying that the government had dealt with the application in accordance with due process, and that it was a very fair, open and transparent one. But she added that "whatever the applicant thought about it is not something I can comment".

When Lau was re-examined by the prosecutor, she agreed that Wave Media could never have been guaranteed success in the application.

Tsang is accused of accepting as an advantage, free refurbishment from Wong of a Shenzhen penthouse that he had rented in return for granting his company the licence.

## THE AROMATHERAPY OF DEFENCE

25/1/2017

Apart from her abysmal choice of clients and a certain jolly-hockey-sticks manner of presentation, one has to recognise that Claire Montgomery is on first-rate form at present and a worthy opponent to one of the world's greatest advocates for the prosecution. Armed with the facts and more charming by miles, David Perry will undoubtedly win the day. But the skill in examination Ms Montgomery has shown the past week must be noted. It is a rare kind of aromatherapy and the guilty client bathes in emollient vapours of pure self-righteousness for whole minutes, until that is Mr Perry inserts a jarring note of reality, a gentle but noticeable smell of boiled cabbage, congee and disinfectant, the odours of Stanley imprisonment, rubbed in naturally with the honeyed grace for which he is justly famous. We must however be fair and recognise artistry and intellectual presence wherever we find it.

*(Alibaba Xinhua SCMP) The closest subordinates of then chief executive Donald Tsang Yam-kuen had no knowledge of the 6,700 square foot Shenzhen penthouse currently at the heart of his corruption trial, the court heard on Tuesday.*

*But Tsang, the highest-ranking official in the city to stand trial, was a “strong-minded” and “dedicated” leader, who was “straightforward” and rarely concealed his feelings, his former staff members testified.*

*Prosecution witness and former secretary for commerce and economic development Rita Lau Ng Wai-lan, who used to sit in daily meetings with Tsang when she served between 2008 and 2011, provided a glimpse into his working style under cross-examination by Tsang’s counsel Clare Montgomery QC.*

*Tsang, 72, allegedly concealed his ties with businessman Bill Wong Chobau between 2010 and 2012 over the three-storey penthouse he planned to move into with his wife after stepping down as chief executive.*

*The property, located in East Pacific Garden in Futian, was owned by a firm connected to Wong, with a HK\$3 million refurbishment paid for by Wong's companies, the court heard.*

*Tsang allegedly failed to disclose to the Executive Council his relationship with Wong, also a shareholder of Wave Media, when the council granted various applications, including a digital audio broadcasting licence, to the company.*

*Tsang pleads not guilty to two counts of misconduct in public office and one of accepting an advantage as chief executive, an offence introduced under his administration.*

*Lau, who has known Tsang for 30 years, was a member of Exco in her capacity as a bureau head, when the digital licence was granted in principle to Wave Media – later known as Digital Broadcasting Corporation – in 2010.*

*Testifying on Tuesday, she said Tsang had never mentioned the luxury penthouse to her.*

*The court earlier heard that the residence was fitted with a library, calligraphy room and landscape garden.*

*“When did you first learn about his links to the property in Shenzhen?” prosecutor David Perry QC asked Lau. “I learned of it in the newspaper,” she replied, referring to media reports about the case a year after she stepped down from her post in 2011.*

*Another prosecution witness Kenneth Mak Ching-yu – who served as the permanent and private secretary to Tsang's office from 2007 until the end of his term – also said he only learned about the retirement plan of his former boss after it was exposed by the media.*

*Mak, who saw the former chief executive every day, recalled Tsang speaking of it on air during a radio station programme after the news broke.*

*The Shenzhen property came to light in February 2012, but prosecutors alleged that Tsang’s interest in it dated back to 2010 – when both Lau and Mak served in his administration.*

*Yet under cross-examination, Lau agreed with Tsang’s counsel Montgomery that her ex-boss was a dedicated chief executive who would try his best to do everything for Hong Kong.*

*Montgomery also asked another prosecution witness who held a key role in granting Wave Media’s digital licence application, whether Tsang had acted “out of the ordinary” or in a “biased” manner in related discussions.*

*Elizabeth Tse Man-ye, former permanent secretary for commerce and economic development, replied: “Nothing out of the ordinary.”*

*Tse, who has worked closely with Tsang, described him as a “strong-minded” chief executive who cared about his work and the city. Tsang would even apologise if he found himself reacting too aggressively to colleagues in meetings, Tse said. Both Lau and Tse said that Tsang never told them about his relationship with Wong.*

## **GONGS FOR THE BOYS**

**26/1/2017**

### **LIVE UPDATES AT THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT**

Oh dear, Donald is in such a pickle here. Even in Britain, prime ministers nominate their raincoat makers and hairdressers for gongs but Hong Kong is supposed to be a bit more, i.e. a lot more objective. And if you are going to nominate someone, make sure he's not part of a scheme to construct a nice free hush-hush doing-up of the retirement palace. People might talk. Donald's vainglory, hubris if it was tragic but it isn't. It's just a silly little man thinking no one will find out. But they did. As for his self-referential rules concealed in his head, that is also rather funny. We call that being dictatorial, corrupt and arbitrary. But that again may be going too far. It's just a naughty schoolboy who doesn't tell the gang. Yet school rules and Enid Blyton have nothing to do with the law. It's a fair cop and Donald will be banged to rights.

**LIVE**

A general picture of the awards scheme from a lady witness (she is Jennifer Mak, the Director of Administration). Honours are sometimes declined and acceptance tested: people who decline are not included in the list. The process begins at the start of the year. Many nominations. An honours committee, two sub-committees. March to April meetings for July 1st announcement. One looks at civil servants, one at the rest, us, the hoi-polloi. That's nice to know. Henry "Wine Ignoramus" Tang as Chief Secretary for Administration is responsible at the time 2011.

Nomination form for Barrie Ho was dated 11th April 2011, so is rather late. Delays were usually usually caused by the bureaux' workload. Haha. Or could it be the Hong Kong habit of doing everything at the last minute? This is a nomination from the CE office. The request and referral came late. Kenneth Mak writes to Amy Chan and the Federation of Youth projects were verified. Amy Chan revises the nomination form and resubmits 13th April. Kerry Lam signed it. 21st April loose minute refers

to 22nd March sub-committee meeting. There were other late nominations. Defendant submits only one late nomination. Home Affairs bureau decided to demote someone's medal. 5 members of the sub-committee featuring senior government directors. Eventually Barrie Ho is approved. The Director of Protocol wrote to the Honours Committee 28th April. Major honours go to committee and minor ones dealt with by circulating papers. 77 nominees for medal of honour. Chairman of Honours Committee is Henry Tang. 76 are now nominated in May. The quota is 60 but the Asian Games (dotty Maoist Tsang Tak Sing's vainglorious and useless little scheme of self-aggrandizement) led to an overrun. The notification period is rather short.

There are also conflict of interest regulations generally in all dealings of civil servants, says Ms Mak. Politically appointed officials must report any conflict of interest too and a specific part of the regulations is read to confirm that. Then there is Paragraph 19 of the circulated regulations. Any private interest which conflicts or may be seen to conflict with official duties must be declared.

Eric Kwok continues for the prosecution.

22nd March meeting, Henry Tang as chairman reminds people to declare interests. Charles Lee and Ron Arculli declared interests. As did Raymond Tam, director of the Chief Executive's office.

Over to the defence and the Defender of Pinochet. Chamomile and lavender entwined around a hockey stick. There is a steady stream of referrals for awards from the public. That's all right then. The system runs its usual way for every award candidate.

It's Not Unusual could be Ms Montgomery's anthem and Tom Jones is soon in town...25th February in fact, when this trial may at last be over, who knows?

A suggestion can come from anyone. Even the suggestion from the CE's office is treated the same, with the same scrutiny. A parity of consideration. But the suggestion is expected to be nominated at the highest level in any particular bureau, not quite the reply the DoP wanted. But the DoP continues. A rigorous scrutiny of assessment. Oh yes. But Donald has the right to nominate and approve for the highest honours without



reference to the committee. His prerogative. And presumably also he has a big clout when it comes to minor nominations too. The one Donald added would be known to the committee but Donald can give an award immediately without any vetting, except perhaps police and ICAC vetting. He is The judge intervenes to clarify this point. Donald added a name to the list for the Grand Bauhinia Medal.

So there were indeed Gongs For The Boys.

The honours system is a farce when the highest awards can be given on the say of the CE alone.

The presumption must be that any nomination from the CE is never denied as he can add any name he likes to the list whenever he wants and not be countermanded.

And now admitted facts are being submitted by the small but doughty prosecution lady barrister. They are largely to do with the East Pacific company owned by Bill Wong and sometimes Albert Cheng's connections to it.

And we are back from lunch. Quite a meaty morning. Cross-examining a civil servant is like attacking a crab claw. Give it a good hard crunch, then suck as much meat out as you can. Keep going for every last sliver. There's always a little bit left in some crevice or other. Don't give up. It's messy but delicious.

There's some continuing controversy over how many candidates Donald nominated from the GBM. One may have declined.

Now we hear from Carrie Lam. Eric Kwok continues for the prosecution. She swears, believing in God. She joined the Civil Service in 1980. She was Secretary for Development under Donald July 2007-2012. Nominations for honours come at the end of the year via a circular. Jan 2011 she nominates candidates for medals to three civil servants, none for GBS and GBM. Now to Barrie Ho's nomination form 8.4.2011 with her signature on it as nominating party. Suggestion, she says, not a referral, came from the CE's office. So she is a yes-woman after all. 12.4.2011 another nomination form signed by her. Another suggestion from the CE's office that the first nomination form had not fully covered Barrie Ho's

services to the Federation of Youth Groups, further justification and a smoke screen of course for Donald's corrupt choice for a gong.

The DoP is in full It's Not Unusual mode immediately as Carrie concurs that it is not unusual for bureaux to nominate further candidates for awards. Carrie says she made her own judgments in this matter. Her bureau would do research and confirm. No pressure was exerted on her by Donald. But that comes out a bit pat, Carrie. Not fully convincing. Now to an application by Wave Media and declarations of interest. Carrie can't recall if she was there to hear that. Carrie worked with Donald in Finance 1993 to 2000. She was involved in government expenditure. Donald was committed to public service and was her "role model". Haha. Carrie did not know that Barrie Ho was designer of Donald's penthouse. If she had known it wouldn't have made any difference. The award was on merit. Even if the suggested nomination came concerning Donald's own designer from Donald himself and she had known those facts, she would have concurred. She is obviously as bent as Donald and one to watch. That lot took only half an hour. Carry was wearing a kind of snake scale design jacket. Strange.

Link Work Communications senior executive next, who later became account manager. Link Work does PR and advertising. Kitty Yip was her boss. Latter knew Albert Cheng many years. They are now referring to an email we have previously heard about I think. It deals with an announcement for East Pacific Real Estate Group Ltd. 24.2.2012 the announcement was sent to Albert. Insertion was to follow 26.2.2012. Ling Fung was an advertising company cooperating with Link Work. The advertisement was urgent but witness does not know why. She does not know Bill Wong, East Pacific. Albert Cheng gave her all the details. Property management fees were omitted.

I will not do the last hour. Interesting day today. Much meat for us to chew on, mostly concerning Hong Kong's corrupt, servile, passive, obedient, superficial, self-serving, mutually shoe-shining Civil Service and its perfect embodiment, Donald Tsang.

Pip, pip!

There is no written rule on chief executives accepting invitations for private jet and yacht trips and the guidelines that Donald Tsang Yam-kuen

had been following only existed in his mind, Tsang's former aide told the High Court.

Following media coverage of Tsang accepting party invitations from tycoon friends, the then chief executive said he had been observing "internal guidelines," which allowed him to accept private jet flights only on the principle that no conflicts of interest were involved, and he would voluntarily reimburse costs incurred at market value.

However, Tsang's trial for bribery and misconduct was told by prosecutor David Perry that the CE's office failed to provide related documents of the "guidelines" upon request from the Independent Review Committee for the Prevention and Handling of Potential Conflicts of Interest.

The prosecutor asked Kenneth Mak Ching-yu, former permanent secretary of the chief executive's office, about the lack of documentation for the "guidelines."

Mak admitted he did not know about such guidelines until media reports in February 2012. Perry then asked Mak where the guidelines would be if not written down. "The guidelines are in the CE's head, he set them out himself," Mak said. "I was not surprised [there were no written guidelines] but it would be better if it was properly recorded."

Mak, a civil servant for 30 years, did not explain why he was not surprised. He said the CE's office knew Tsang had been practicing the same interest declaration system as other appointed officials, but no one had checked if it was officially recorded. The office did not know there was no record until asked by lawmakers and the Independent Review Committee.

Tsang was accused of favouring Wave Media regarding its digital radio broadcast license application after failing to declare his personal relationship with investor Bill Wong Cho-bau. Tsang also did not declare that interior designer Barrie Ho Chow-lai had been doing work for him when he nominated Ho for a government award in 2011.

Mak told the court that Tsang did not seem to have tried to exert any pressure on honors and that a panel would have had the final say on medals. Tsang nominated three to four people, including architect Rocco Yim, Mak recalled **HK SUB-STANDARD**

***Donald Tsang put forward idea of nominating interior designer for city award, ex-aide testifies***

***South China Alibaba Xinhua Morning Post | Jan 26, 2017***

*Former chief executive Donald Tsang Yam-kuen personally advocated that an honour be conferred on an interior designer he stands accused of improperly awarding over HK\$3 million in refurbishment work, the High Court heard on Wednesday.*

*But Tsang was not insistent that interior designer Barrie Ho Chow-lai be nominated, his former secretary told the jury.*

*Testifying on Wednesday, Kenneth Mak Ching-yu, the former permanent secretary of Tsang's office, said typically a bureau would proceed with such a suggestion "unless they had a strong reason against" doing so.*

*Tsang, 72, is on trial for concealing his ties with Ho, who charged HK\$350,000 to carry out HK\$3 million in refurbishment work at a Shenzhen penthouse the former chief executive intended to call home after he left office in 2012.*

*The prosecutors accused Tsang of abusing the city's honours and awards system by nominating Ho for a medal without disclosing to relevant bodies that the designer had been engaged to carry out "tailor-made" design work for the chief executive between 2010 and 2012.*

*The two sums incurred, the prosecutors alleged, were both paid for by companies connected to businessmen Bill Wong Cho-bau. The companies also owned the Shenzhen flat.*

*Tsang is also involved in other allegations concerning his failure to inform the Executive Council about his tie with Wong between 2010 and 2012, when the council he then chaired granted Wong's radio station Wave Media a digital licence.*

*Testifying yesterday, Mak said Tsang asked him to stay behind after a meeting that took place one day between February and March 2011.*

*Tsang, he said, gave him Ho's name to pass onto the Development Bureau*

*for consideration of a nomination under the city's honours and awards system. But he recalled Tsang also gave him at least three or four other names.*

*The suggestion was taken up by the bureau, which nominated Ho to the Honours and Non-official Justices of the Peace Selection Committee in a form signed by then bureau secretary Carrie Lam Cheng Yuet-ngor, now a prosecution witness, in April that year.*

*Mak recalled Tsang told him Ho contributed to the community through his decoration work for the Hong Kong Federation of Youth Groups, prompting the permanent secretary to add that information to the form.*

*Ho was later awarded a medal that year. But under cross-examination, Mak said Tsang's suggestion stopped short of being a direction and that the bureau had the final say, even though it would normally not deviate from a chief executive's proposal.*

*Mak agreed with the defence's suggestion that the medal was among the lowest-ranking honours to be given. But he was unsure whether Tsang had done anything further to intervene in the process after they spoke.*

## CLONES, APPARATCHIKS, DALEKS AND HENRY TANG

27/1/2017

### LIVE UPDATES AT THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT

Somewhere under Admiralty there is a huge extended udder spitting out seed-pod civil servants, already covered in glutinous slime, perfect clones, loyal to Mother. No need to school them in how to deal with the masses. Their inborn imperative drive for self-preservation ensures that their mouths and other orifices are sealed shut. They communicate only on paper or occasionally, jaws still clamped, in a set of grunted monotone oral clichés. Some, like Carrie Lam, are transmuted into daleks, gliding effortlessly into position, any position, and uttering the same pat loyal oaths in favour of Mother disguised as policy, directives or even testimony. OBFUSCATE, DEVIATE, EXTERMINATE ALL OPPOSITION AND DISSENT. Curious then that Henry Tang, born a Hong Kong grandee with appetites and glimmers of human imagination, should descend into the empire of the daleks. The transformation was however complete. We await his evidence, his declarations of loyalty, his love of Mother and his undoubted affection for a leading fellow creature, Donald Tsang.

Here's what we wrote about Henry some time ago:

#### *FAMOUS BY PROXY*

*I passed Lisa, Henry Tang's wife, the other day. There she was, waiting to cross to the Landmark and she didn't look at all deranged or desperate. Was she on her way to Cartier? Who can blame her for some compensatory shopping? Or was she on her way to her therapist? It must be a terrible burden for her, being married to Henry, or perhaps there is a silver lining to the cloud. If husbands cannot be a support and an inspiration, they can at least be a cross to bear.*

*Henry seems to live most of his life by proxy. He got his wife to take the rap for his basement fiasco. He now also hopes that other people, viz. the*

*builders, being found not guilty of knowing anything will somehow exculpate him, also by proxy or association. Yesterday, with all the spontaneity of a solicitor's letter, he made profound statements about constitutional development.*

*Henry lives in a world where things just happen because they have always happened. I doubt if he has ever travelled on the MTR, walked into a supermarket or actually cooked a meal. There is always someone out there who does these things for one. Thus it was that he really believed that there was an historic inevitability about himself becoming Chief Executive. It was as natural as a clean, pressed shirt in the morning or a Jeroboam of fake vintage Bordeaux on the sideboard. Tip, incidentally, Henry. The fakes nearly always come in large bottles. The Hugh Johnson guide is very clear on that.*

*Some years ago, Elton John said that he once led such a passive and cosseted life, the only thing that he did for himself was wipe his own bottom. Thinking about Henry, and looking at his retinue of aides, maids, drivers, PR flunkies, fall guys, secretaries, door openers and speech writers, one somehow feels that there must be a personal asswiper amongst them somewhere.*

LIVE

Eyes up, look in. It's that time of the day. Why lie in bed when the delights of the High Court await one? And in comes Henry. He is also swearing by almighty God. Eric Kwok is asking the questions. Tang has Martian ears or wherever Mr Spock came from. He is/was chairman of the Honours Committee. The awards are for people who have served Hong Kong with excellent service or who have excelled themselves. It is not meant to reward people who have rendered services to individuals. Henry has rather a sweet voice, somewhat camp in fact. In April 2011, a meeting of the nominations committee was held chaired by Henry. Henry reminded people to declare interests. This is normal practice as Henry considers it beneficial and the chairman decides how to treat any declaration. The Chairman is included. As FS and CS he sat on the committee and declared an interest on more than one occasion. Charles Lee and Arseculli did declare. Later Raymond Tam did. He cannot recall if circulated lists contained also a notice about declaration of interests. In a minute of the meeting, Henry 12th May 2011 he invites Donald to

consider list of general and bravery awards. 280 nominees. Normally Henry would invite Donald to consider others. Henry is reading severely redacted (i.e. censored) material which is hard to follow, he says. Indeed. Henry recommends a number of senior officials. The original unredacted paragraph is given to him. Henry suggested one particular GBM be awarded. Honours Committee recommended two GBMs. Henry added one. Donald wrote 3 persons. Then this goes back to the committee. In the end, two names appeared. One was put forward by the Honours Committee and and Henry's nomination was not on the list because the nominee declined the award.

Barrie Ho was suggested for a medal of honour. Henry was unaware that he was Donald's interior decorator.

The DoP cross-examines. Honours are not awarded for private services. The system works in stages. The important gatekeeper is how the committee treats suggestions, says Henry. The argument I suppose is that there was no unusual process for Barrie Ho. He deserved it. Yet as we have heard, Donald has a supreme power to award anyone he likes. The CE did not place any pressure on Henry. Some names were not suggested by bureaux. Some were friends or colleagues of the CE or of Henry. But Henry has never gone outside the Honours Committee. It is normal for people recommended for higher honours. Honours Committee does not consider higher honours. It is Donald's prerogative.

Now to an Executive Committee meeting 2008 considering an application by Wave Media. List of shareholders. Henry knew most of the directors including Bill Wong. A commentary was added regarding conflict of interests. Arseculli was excluded from the meeting and access to papers. Direct pecuniary interest and conflicts of interest are considered. The fact that people know each other well is not unusual. The council could not meet in that case. A personal friendship does not prevent the exercise of objective judgment, Henry agrees. 11th November the matter is revisited. On this occasion the conflict of interest matter is not mentioned. David Li was a supporter and colleague of Donald. Henry ant remember when one of his children was married in Europe. Neither can I.

Prevention of Bribery Ordinance discussion. In Tung's administration the view as the ordinance should not apply to the CE. Donald thought at least section 4 should apply.



Retired civil servants have to seek permission of a committee before taking up jobs on retirement. There was criticism of Donald's brother. Donald also committed himself to democratic development. 18th May meeting in Shenzhen. Universal suffrage in principle in 2010. In 97/98 and 2008 Donald was active in handling financial crises. Buying RMB is a relatively new idea for Hong Kong.

Back to Eric. Henry knew 8 out of 9 shareholders of Wave Media. He is a Mainland consultative conference member. Henry has no personal dealings with those 8. Knowing them does not give rise to a declaration of interest. If someone has a personal dealing, that would be difficult. Tenancy agreements or negotiation has never arisen. Business dealing is not necessarily a conflict of interest. Circumstances might change and make a declaration necessary. Direct pecuniary interest is important. Henry did not know about his flat in Shenzhen when they were there. He did not invite him to have a look at it.

And that's the end of Henry's evidence. It took nearly a hundred minutes. Not all that much was said.

Now a rather frightened-looking lady in the witness box, to be quizzed (as they say in the papers) by David Perry. Ms Amy Chan, who was former Administrative Assistant for the Secretary for Development working in Shatin. She joined the Government in 1994. Sept 2008 - Mar 2012 worked amongst other things on awards from the Hong Kong Government, concerned with the Development bureau only. The process begins in the latter part of the year previous to awards being given. Normally October was the beginning of the process. Over to the DoP. Email to Permanent Secretary of her branch with completed nomination forms. Impossible to know when they were filled out. NOT UNUSUAL to have forms filled out early in the year. Or that they come from where they came from. And no pressure exerted.

Now we refer back to the first witness for the prosecution, Ms Lau, and Donald's travel records. 25th January 2010 an official trip involving constitutional negotiations. For some trips the only record is the use of vehicles. Sometimes Donald is alone. 22nd October 2011 another trip which was NOT UNUSUAL. Only if Donald is three hours' travel time away is it necessary to nominate acting chief executives. Ms Lau knew

that there was a suggested statutory reporting committee for gifts etc given to the CE but it has not been formed. No record of what Donald was doing or who he met in many entries e.g. 27th February 2010, 18th May 2010, 21st May 2010. MT was sometime present, Mrs Tsang. And so it goes on e.g. 25th June 2010, 24th July 2010 but 29th July 2010 (vacation in Europe). 5th November to 7th no record of who what and where, similarly 18th March 2011, 31st March CE away until 4th April. 11th April the famous letter expressing gratitude for hospitality in Shantou also sent to Bill Wong. 30th April 2011 another no-records trip to the Mainland. 8th July also. 22nd October-25th press release announcing vacation but no records.

Now to Kitty Ip of Link Work, the PR and advertising company for Shenzhen East Pacific Group Ltd, in particular an announcement which appeared in five HK newspapers. Lane Fung company was then engaged by them, as they could do artwork. 24th February 2012 quotation. Announcements appeared February 26th. Albert Cheng contacted them first, probably on the 23rd or even 24th am. It was always urgent with him. She didn't know if he had any connection with East Pacific.

The court is not sitting this afternoon. And we return next Wednesday 10 am.

As they say in Stanley Prison: Kung Hei, Fat Chance.

## **DEFENCE AND THE INGENIOUS DEFENCE**

**1/2/2017**

### **LIVE UPDATES AT THE RESUMED DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT**

Did you have a nice Hot Donald this morning? After all that self-indulgence and indolence during the most boring holiday in the world, Lunar New Year, the bowels may be a bit sluggish. But that bit of scatology is a reference to the other Donald, almost the exact opposite of our own, except perhaps in his capacity for hypocrisy. This case obviously calls for an ingenious, if not a cunning defence but so far none has been forthcoming. It has been the Defender of Pinochet wielding her hockey stick soaked in chamomile, lavender and perhaps an odd trace of Pak Fah Yeow. Nothing has been unusual. Nothing in what Donald did was a departure from the norm. As a defence of course this sucks. There's even a specific clause:

Section: 19 Custom not to be a defence: In any proceedings for an offence under this Ordinance, it shall not be a defence to show that any such advantage as is mentioned in this Ordinance is customary in any profession, trade, vocation or calling.

in the Prevention of Bribery Ordinance which makes clear that what is traditionally done is not necessarily legal. So the traditional cosy Henry "I know everyone on the committee so how can I declare a conflict of interest" Tang defence, that we are all doing it now, that being a grandee is a club and you plebs ain't members and don't understand, that particular defence just doesn't apply. Soon the tungsten steel claws of Mr Perry will be wiped clean of gore and the defence takes the floor. Donald will have to go into the box. Without an aide, without a bodyguard, without a press statement, without a carefully crafted line to take, a very Naked Civil Servant.

**LIVE**

And we are off. The prosecution may close today, says Mr Perry. There will be two witness statements and a witness from the Federation of Youth Groups regarding the visit which Donald relies on for his decision to give an award to Barrie Ho (probably extremely phony, we will see), Fanny Lau, secretary to Albert Cheng, and Ricky Yu from the ICAC.

Donald said he would cooperate with the ICAC on air and to Legco. He made no comment when asked to be interviewed and showed great prevarication. As did Mrs Donald. The defence on the other hand alleges a very selective investigation by the ICAC which obliges the jury to speculate. But the strategy in this case is clear, to focus on the most guilty of the parties, the former chief executive. Corrupt people, like spies, love to be part of a crowd, to share the guilt with as many people as possible. If all the people involved in the sorry conspiracy had been brought to court, we might have been lost in a tangle of facts which might have exculpated everyone.

First to the witness statements to do with the medal of honour. The procedure in the development bureau is as commonly understood. The bureau decided to nominate the two architects referred by the CE office and the reason given by the latter was the Federation of Youth Groups buildings, a reason verified by the bureau, they say, by their Works branch. The form was revised at the request of the CE office. Rico Chan, also from the Development Bureau, researches and handles the papers. Blind obedience it seems, just like the bureau in general, which obeys orders from the CE office regarding nominations. But he denies that any pressure was exerted on him. Of course not. It wasn't necessary with compliant, pliant civil servants.

Something interesting now. Coordination of information for The Federation of Youth Groups. It operates 22 youth centres. Contact of Donald with the organisation his visit to the North Point HQ. The interior design was by Barrie Ho. The building has 26 floors and the federation has 14 and a half floors. He did several floors 2006-2007. 9th November 2009 visit by Donald, his only visit apart from 17th October 2011. So only one visit before he suggests award to Barrie Ho and he saw one possibly two floors. The 2009 visit was from Youth Channel to take part in a programme. This was on the ground and first floor. In 2011 Donald visited to take part in a dialogue regarding the policy address. Donald also

attended events to do with the federation but at venues which had nothing to do with Barrie Ho e.g. HK Academy of Medicine, Conrad Hotel, HK Convention and Exhibition Centre.

Over to the defence. In 2010 and 2011 UCafe project with Barrie Ho and the Federation. Donald met members of the Federation but the witness is far from helpful regarding who Donald may have met and spoken to. Even the judge thinks this line of tenuous inquiry is just that. It is very unlikely that Barrie Ho would have come up in conversation.

Now to Albert Cheng's secretary (actually employed by DBC) regarding an email with attachments from Barrie Ho's accountant at his company. A request to forward the contract to Bill Wong. The secretary had no idea why Bill Wong was involved and about the East Pacific property in Shenzhen, or who was carrying out the design project. She wasn't shocked. Albert often got such documents from his friends. I see. She did not have much involvement with Bill Wong's famous newspaper announcement. She has no idea why Albert Cheng was involved.

Now to the defence cross-examination. Albert Cheng has a wide range of acquaintances and is an extremely busy networker.

Now to the formal introduction of the movement and other records. As we recall, Immigration noted for instance that Donald, Mrs Donald and David Li arrived back within seconds of each other from Macau. Details of Bill Wong who uses his wife, brother-in-law and father as directors/associates of his companies.

Now some arguments about the evidence of Ricky Yu of the ICAC. The point here is how devious and uncooperative Donald and Mrs Donald were and whether those facts should be presented to the jury. The jury has been excused for the rest of the day. As indeed probably we should be too.

Pip, pip!

## **DESPERATE BARRISTERS**

**2/2/2017**

### **LIVE UPDATES AND COMMENTARY AT THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT**

In the fantasies of every new barrister there is that golden moment when he looks up at the mesmerized judge and rapt jury and says: "Need I go on?". Mostly of course a barrister does go on but old campaigners like David Perry and his full supporting cast know that you should always leave the audience satisfied but eager for more. So the prosecution will rest its claws and it is soon over to the defence, which is looking at a sewn-up, trussed and jail-ready client with that sad knowing look all over his face. So far the Defender of Pinochet has trusted to the argument of It's Not Unusual (to suggest secret friends for gongs, to have the wife accumulate large sums of foreign currency for mysterious purposes or cash cheques from strangers quicker than Linda Lovelace removed her panties). One possible line of defence is to speculate about all the other people in this sorry conspiracy. Why aren't they in the dock? Why didn't the ICAC interview them and seek answers to all possible questions? That would jam up the case for months, perhaps indefinitely. It's a kind of American approach and our legal system will probably not allow it. Yet there is a very concerned look on the DoP's face. She really ought to win one big case in Hong Kong. Just one.

**LIVE**

We are still waiting for the judge at 10.20. Perhaps he has one of his gaiters stuck. Or his wig is itching. In fact the public address system in the gallery outside the court is not functioning so a few selected prominent, respectable and eminent citizens are asked to come into court, myself naturally included. Donald can hear he says behind his glass. We will carry on regardless.

The judge is giving a ruling.

Now the final prosecution witness, Ricky Yu, a familiar face somehow. I think he was at the Hui Kwok trial. He is a directorate officer with the operations department at the ICAC. The investigation began in 2012. 26.9.2013 letter from Mallesons, Donald's solicitors. 5 documents for the ICAC's attention attached: a lease agreement and supplemental lease agreement both dated 21.2.2012 in Chinese. Another document and a Receipt from East Pacific. And a termination agreement 10.8.2012. The documents were a result of some negotiation.

The lease stipulates an identity document for the Shenzhen housing department. Mrs Donald gives her address as 27th Floor One Exchange Square, the business address of Donald's second son. The rent sum is left blank per square metre. Annual rent figure is 8 million RMB. Then 800,000 in words. First payment is given as 800,000. Receipts were to be issued. Supplementary contract. Letter of responsibility.

Now to the Feb 2012 announcement in the newspaper, a few days after the date of the rental agreement. A rent-free period of two months. As a result of banking enquiries, the ICAC obtained a bank copy and a customer copy without Mrs Donald's signature of a payment made. Another remittance 8.11.2010 but the ICAC knew nothing about that previously. A year's rent of 800,000 is mentioned in subsidiary document 21.2.2012. Then there is an agreement to early termination. 800,000 payable by Mrs Donald as compensation. 10.8. lease terminated.

My impression of the jury, now I see them close, is that they look like typical Hong Kong office bunnies, eight girls and one boy, most rather dim in appearance. Just my impression. Perhaps they are all in MENSA. It would be better to say that they look just ordinary.

30th August 2013 was the first time the ICAC demanded documents regarding the lease, sixteen months into the investigation, says the DoP. She may ask a question there may be an objection to s the jury has been sent out. Oh dear, she is still on, trying to wangle her way to success. I think she may have got her present ideas from the ex-ICAC officer, her deputy. As a general observation it is always useful to broaden the number of suspects in a bribery or fraud trial. They can all blame each other and cancel each other out, gleefully walking free into the sunlight. Clearly, Mr Perry wasn't born yesterday. Nor I think should we be. Focus on the real culprit. In this case, that is he who betrayed the public trust in a flagrant

manner: one Donald Tsang.

Saw Donald laying into his legal team. Or perhaps he was just heartily congratulating them. He is sitting amongst his solicitors as we are still having trouble with the public address.

Donald of course had trouble with his private address.

We are back after the morning break. The DoP is asking Mr Yu about the enquiries he didn't make, including those not made of some Bank of East Asia staff. By this she means parties the cash may have been given to, the named secretaries. He did not speak to the secretary of David Li or to Li himself.

Over to Mr Perry. Did anyone from the CE office volunteer a copy of the lease? No. Why did he not speak to David Li? It took the ICAC five months to arrange a meeting with BEA staff. The ICAC had to go through their compliance unit. Two employees had BEA legal representatives (who made amendments). BEA viewed statements before signing them. David Li would have had to be interviewed under caution. ICAC from past experience believed Li would not cooperate. How easy was it to get the statements? They had to go through a lot of hurdles. All statements went through BEA compliance and legal departments.

**Rumour is that Donald will not call any defence evidence and the case will finish mid-next week.** Perhaps he is tired of paying the 500K daily barrister and solicitor refreshers. It would be a brave ploy of the defence, to suggest that "the prosecution case is so flimsy that it is hardly worth rising from one's seat and wasting breath denying these ludicrous charges." (Peter Cook)

Of course it would be perfectly in character for Donald to refuse to offer evidence or take the stand. Why should the great, the good, the venerable deign to justify themselves unto the unwashed, the unrepresented, the unmonied: us.

The jury is dismissed until next Tuesday. But there are still legal arguments and representations taking place. We are there, naturally.

Donald just had a word on his way into court, to congratulate me for being



here every day. I said I loved it. He said, I think, that he wished he could say the same. That does him credit.

Pip, pip!

## **AN UNDIGNIFIED SILENCE**

**7/2/2017**

### **LIVE UPDATES AT THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT**

After being mortally, ritually and publicly traduced and slandered over a period of weeks, any right-thinking person would, one might think, welcome the opportunity to take to the stand and put the record straight. In fact, despite public assurances on the radio and to Legco that he would fully cooperate with the ICAC, Donald clammed up as soon as his cosy six-thousand-square-foot three-storey penthouses became known to the public and he has been tight-lipped ever since. We never judge people legally, you understand. It's just psychological curiosity and righteous indignation with us. So we are intrigued why a pious Catholic like Donald finds it necessary to live in such opulence, one hundred times what most people in Hong Kong have, and why he believed he could get it free of charge, or at least severely discounted, from Chinese Communist Party bagmen like Bill Wong and odious brylcreemed money launderers like David Li. We are intrigued as to why he thought the identity of his landlord and sugar daddy would be of no interest to his colleagues on the Executive Council, particularly when he was bidding for a broadcasting license, and why he thought he could distribute public honours to whomever he chose. Most of all we are interested in the psychological script. the pre-conscious life plan of Donald, why he chose to foul up right at the end, what guilt he was exculpating, what demon drove him to severely risk ending his life with congee for breakfast and Rafael Hui for company. Sing for us Donald. Pray do.

**LIVE**

The final phase of the trial commences. I only caught the tail end of legal discussions yesterday in which someone was trying to put forward the idea that an action can be corrupt with the best of intentions. As we said, the defence does seem to be desperate. We all know that lies can be told with good intentions but as to being corrupt, that is always bad, isn't it? Ask the British Foreign Office, I suppose.

Incidentally, looking at Amazon, I see that I have a ninth book to my credit. My doctoral thesis has been published by someone, twenty years and more since it was written. Better than Nembutal.

The Defender of Pinochet has just announced formally that no evidence will be adduced for the defence. As I thought, the schedule is that the judge's summing up will be next Monday, but no, he has moved it to the 15th February. The final addresses of prosecution and defence take place this week.

And now a jury foreperson must be chosen.

Now to David Perry, the prosecution's closing submissions. He began on the 10th January. We have now heard all the evidence and we do not need to narrate the story. We are now interpreting the evidence. Guilt has been overwhelmingly established. Secrecy, concealment and disguise are themes of this case and are badges of corruption. For example, on the radio programme Beautiful Sunday, Donald said that the glare of sunlight sheds light on everything he does. The allegations are simple and have not changed.

The indictment now. The redesign of the Shenzhen property was discounted and only available to him as CE and was offered in his capacity as Chief Executive. It was an inducement and a reward. He did grant Wave Media's application. Was the refurbishment of the Shenzhen premises corrupt? It isn't legally necessary to demonstrate that Donald showed favour but the prosecution can point to decisions which did favour Wave Media: on at least three occasions 2010-2012.

The defendant also failed to reveal his relationship with Bill Wong at the Executive Council. It was deliberate. He was hopelessly compromised. This is count two of the indictment. A disclosure of his relationship at Legco would reveal his relationship with Wong with whom he had made a corrupt bargain. This was a conscious and deliberate decision as he was pre-occupied by his future plans.

Count three is equally simple. Donald abused his position as CE by claiming that Barrie Ho had done good work for the Federation of Youth Groups. He used this as a disguise and did not reveal his true relationship

with Ho. He took an active part in promoting Barrie Ho's candidacy. 11th April 2011 Donald was writing his effusive thank you letter to the hotel in Shantou where he had been with Bill Wong, and also submitting Barrie Ho's name. To all the world, Barrie Ho and Donald were strangers at the ceremony in October. The system of honours and awards is for the benefit of Hong Kong, not for the CE to reward his interior designer. The fact that other people considered Ho eligible is irrelevant. The awards system was undermined and degraded.

The question is one of integrity in government. Doing the right thing for the right reasons. Observing ethical honourable standards of conduct. What the public expects of its officials. Donald deliberately concealed information from the public and colleagues. It is also a story of greed.

When the story broke, Donald went on an hour-long radio programme. He tried his best as an experienced and articulate politician to control the damage, to provide information to create a favourable impression. He said he was acting with his principles and the official guidelines. He also suggested there was a conspiracy against him, that the expectations of the public were too great. But Donald had just signed a lease the day before. And he concealed all the meetings, the proposal of Barrie Ho, the payments and all the rest. Donald was neither open or honest. His conduct that week indicates Donald's standards and idea of integrity.

What would innocent people have done that week? The work at the Shenzhen property was suspended. No further contact with Barrie Ho. Why a week after signing the lease do you intend not to live in a property. Why the independent Review Committee? Why didn't it look at what he did rather than at the system? There was nothing wrong with the system. Donald was trying to manage public opinion by suppressing part of the truth.

Juries are judges. They are public officials representing the community. They use collective good sense. There is no magic system. Was Kenneth Mak trying to be helpful in his replies? Was he being open and forthcoming? Was Fanny Lau nervous, anxious and frightened and were the BEA witnesses really forthcoming about the events of the 16.7.2010? And the lease and supplement were only provided in 2013. Why not earlier? Common sense provides the answers here.

Jury members know about leases and accommodation too. Mr Yu from the ICAC showed the supplemental agreement and all the utilities and management fees were looked after by the landlord. These terms were in fact a cover up and disguise. And when does a landlord ever say to a tenant that he can do anything to the flat his expense? A rich businessman doesn't pay for an expensive designer but he might if he were dealing with the CE (and applying for a broadcasting license).

People generally do things for good reasons. We are not victims of random events or coincidences which happen to look corrupt.

Break time.

We are back. In ordinary life there is usually an explanation. The defence case might be that Donald is the victim of coincidences. In 2012 Donald said that in 2007 the Donalds started looking for somewhere to live. In 2010 he happened to talk to Bill Wong and he offered the clubhouse in Shenzhen, just as Wave Media was trying to get a digital license. It just so happened that Donald granted the license 2.11.2010. 5.11. trip to Mainland and same day as BEA was giving instructions to BEA, and Bill Wong and David Li in China same time, The David Li who had provided cash. And so many it just so happened regarding payments, lease, broadcasting appearances, misleading receipt etc. etc.. The facts speak for themselves and point to Donald's guilt.

A number of incidents were normal but might appear surprising and strange. February 2012 Donald spoke to the public and said he couldn't do anything in secret. But Barrie Ho visited Government House twice without anyone knowing. And he met Mrs Donald in Shenzhen without anyone knowing. Before 1st July 2011 when Barrie Ho was awarded medal, he had met five times with Mrs Donald and there were a further five meetings after. Mrs Donald never mentions the medal. How can this be true?

Donald had a public face and a private face, one in which exploits his position and has relationships with rich businessmen.

The office of chief executive exists for the benefit of the people of Hong Kong. Article 47 of the Basic Law. Oath of office. Solemn promise to act

with integrity which makes clear that he is accountable and not above the law. He is supposed to lead by example. Donald agreed with this and on two occasions said that officials should be whiter than white. The programme Beautiful Sunday had been begging Donald to explain his penthouses. Late Saturday he agrees to appear on the programme. He said that he and his colleagues had been busy researching information in old files to answer the allegations and give a complete account. The CE office has however revealed that they do not keep a record of the CE's private activities. An announcement in the newspaper prepared by two PR companies is published in the newspapers. Donald claims he hasn't seen the announcement, even though the information he gives in the programme is consistent with announcement. That week he was in contact with Wong to negotiate the rent of the penthouses. The announcement is of course misleading and inconsistent with a late-appearing document concerning the date of rent payment.

Now to the code of accountability for principal officials. Donald announces review of guidelines and principles in present system. Nothing wrong with these in 2012. In cases of doubt, officials were to seek the advice of the Chief Executive. A whole chapter on conflicts of interest. No doubt about what this means. Donald's conflict of interest wasn't a bank card. It was a superleague conflict. And why didn't Donald mention his relationship with Barrie Ho to Mak or anyone else? Secrecy is a badge of corruption.

30.9.2010 Donald judged a declaration of interest case, and a month before funds had been accumulating and placed on time deposit to make payment in November to Wong. Donald appears 22.2.2012 on the Talkabout programme, day after lease signed, announcing high transparency in the bright sunlight. Is there a witness to the lease, the receipt, the reason why 800,000 RMB was paid? No. No transparency but a secret underhand deal. Donald was engaged in collusion with big business and wished to benefit himself.

Lunch.

Yes we are still here although I would dearly love my afternoon nap. But it is not to be. Authorial duty calls. This might make a minibook. *Donald Ducks The Indictment? Donald Tsang: The Rapture?*

We are looking at the 2012 statement of Donald concerning accountability and the fact that Exco is not exempt from intense public sensitivity for example to property investments. Each Exco member is responsible for declarations. There is a code of behaviour drawn up to make the matter clear to the public which was put on a Govt. web site. Nov 2010 and 20th Jan 2012 Donald did make declarations of interest but trivial ones. These are disguises. Two days after meeting Ho and the fung shui master with his wife in Shenzhen he fails to declare the same. On Beautiful Sunday he emphasises conflicts of interest. He is confronted with his connection to Bill Wong by the presenter.

Donald says at that time in discussing at the Exco he did not make a declaration but as regards this in issuing a broadcasting license the gov't has a strict system. The broadcasting authority handles it and submits a report. They had unanimous consent, Exco had very little to say. There would have to be special grounds to deny it. He did not give any thought to the flats. There was an intention but for a short period. It did not occur to him that a declaration was required. At that time he did not declare it. There was a good reason. He did not realise (stuttering). It was being handled at the market rate and he only had an intention to do it.

All this does not make sense. He says Exco merely adopts the BA decision but this is not true as he makes the final decision. Why should an intention to rent be different from actually renting? He also mentions a short period tenancy. But the agreement only came into existence February 2012. What would be more important: to declare his wife as Girl Guide Association president or his relationship with Bill Wong? He said later that only when he signed the rental agreement did he check whether it was the market rate. But he had made payment already in 2010, not February 2012.

It has been said by the defence that there was no reason for him to accept an advantage from Wave Media. This is a very simplistic view of bribery and corruption and ignores the reality of collusion. There was no certainty. Wave Media also did not know what was going on in government. 16.7.2010 there is a public consultation and no one knows the outcome. It can do no harm to have the CE as a friend. There was deep public interest in the granting of broadcasting licenses.

Arseculli excluded from discussions as there was sensitivity in this matter. The establishment line-up of DAB was also sensitive. The decision had to withstand scrutiny. Wave Media intended to invest heavily in DAB: e.g. 105 million in shareholding loans with over 50 million already invested. 46 million profit expected first year and 61-122 million later projected. Whilst all this is going on, discussions commence with Bill Wong in 2010, and they continue to 2012. Donald is writing his effusive letter to the Shantou Regency hotel, copied to Wong in 2011 after the third meeting with Barry Ho. Two days later there is another meeting with him and there is an important Exco meeting the same week. February 2011, much the same time, invoice from Barrie Ho paid by cheque by Bill Wong.

Why was all this being concealed? The answer is simple: collusion.

16.7.2010 the famous David Li cheque cashed 9.20 am and 9.55 deposited into the Donalds' joint account to build up the RMB holding. 350K was exactly the fee payable to Barrie Ho. And another payment of 350K from a Wave Media shareholder. The defence will probably claim that the 350K deposited by Mrs Donald is not the cash paid in by her. She is going to the bank with a separate 350K in her handbag? And why do people use cash at all? They do it to disguise the source of funds.

Coming soon: March 2011 Exco meeting and how that connects to Barrie Ho.



## **YES, IT'S ANOTHER PERRYESQUE CRACKER !**

**8/2/2017**

### **LIVE UPDATES AT THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT**

Very soon there will probably be a special section of Stanley Prison, the David Perry Wing, chock-full of villains given their working holidays by the redoubtable teddy bear with claws of tungsten steel. And he was on good form yesterday, anticipating the rather convoluted arguments the defence must resort to if they wish to keep their client away from a long stretch of chokey. There was a whole string of It-just-so-happeneds for example but we only hear the oral arguments. How we long to see the flow charts with their arrows, dates, times, people present, bank account numbers, invoices, statements, phony contracts and media sound bites. And it is all done with such grace and charm. David Perry probably receives thank you letters from many of those he sends down. Now he is closing up for the prosecution, preparing the stage for what must be one of the great and ingenious defences, an attempt on the world record for the willing suspension of disbelief.

**LIVE**

Now we are looking at the seventh meeting of the Donalds with Barrie Ho. Instructions were being given as to Donald's special requirements. 9.1.2012 the defendant agrees that Arseculli be excluded from the meeting to discuss Wave Media. 18.1.2012 meeting with Wong and Barrie Ho in Shenzhen. Mid-March completion anticipated with slight adjustment to the door hinges. But Donald says it only became apparent then that the premises would be ready in July. This was his excuse for the late creation of the lease. As soon as there were media reports, all work was suspended. Ho said that it was a bit strange.

Now to the important week around the 20th February and the media reports. A banquet in Macau held the previous weekend. The press challenged the veracity of CE Office statements. 21st more press reports including photos of private yachts, then later a trip to Phuket Thailand in a private jet owned by a businessman friend. Before 23rd Thursday Donald

appears on Talkabout. Donald is asked about his receipt of luxury entertainment, Donald says he is sad because his personal integrity is questioned and linked to collusion, He welcomes the opportunity to explain. He mentions his visits to churches, naturally. He chatted on the boat he says about real estate markets on the Mainland and not about politics. Donald says he only accepts hospitality as in the Thai trip if there is no conflict of interest. He never thinks of getting any advantage. He says he is grateful for the people's trust in him. Then he talks about his plans for retirement. He intends to leave Hong Kong for a while and his wife has made preparations and viewed flats with the intention of buying one. They have rented a flat in the meantime. He is a Hong Kong boy and will eventually return to Hong Kong to spend his elderly time. This is the first mention of the flat. The media photos look as if they were taken in December 2011. The newspaper reports were long in preparation. Donald suspected this and deliberately preempts the media reports. What he doesn't say if you accept the phony 2013 lease is that he had signed the lease yesterday. Of course, he hadn't. It's sad isn't it to see this catalogue of lies and cover-up. Donald reassures the populace that he will not be involved with collusion with businessmen. And he discloses another yacht trip.

The line to take is that the CE will move to Shenzhen and has already signed a lease and rented a flat. A duplex flat with decoration. He intends a short-term lease and has no intention to purchase. No mention of 2011 payment or lease or Barrie Ho or trips to Shenzhen. Misleading.

5.45-minute TVB appearance in which Donald stresses no conflict of interest. Integrity is important. He believes he should give the people an explanation instantly. Personal affairs and the strategy of government cannot be confused, He draws a veil over his personal life. There is a mechanism to deal with this. He dare not buy property in HK. Tung never told him what to do or criticised him. Now he mentions recently renting a flat in East Pacific Garden - recently 24 hours before if one accepts the phony lease. But this has been in preparation for two years. After a cocktail reception with the Mainland authorities he feels had a clear conscience. He feels sad and stressed at the conspiracy theories and eternal internal conflict. This damages Hong Kong. Of course it is Donald who was damaging Hong Kong.

Only the next Sunday does he make another public statement but between

the Thursday and Saturday preparations are underway on Friday 24th to publish the newspaper statement, led by Albert Cheng and Bill Wong. On Sunday Donald appears on Beautiful Sunday. Cheng urges the two PR companies that the announcement be published Sunday. Wong pays for the announcements and signs the indemnity. It all costs 240 K. In five newspapers.

Quarter-page announcement by Bill Wong's company - "We have an obligation to clarify the facts". 624-square-metre apartment. Dilapidated clubhouse renovated by renowned architect. Cost less than 3 million RMB. During the renovation period the tenant could give views on redecoration as long as budget not exceeded. This is completely wrong. The tenant was regarded as the client of the architect and everything was done to his requirements. The rent is said not to cover utilities and other fees. This was not so. Donald and Wong tried to get their story straight but this was a huge slip-up. The supplemental agreement to the lease spells out the reality. And why does the East Pacific Group says it has no business in Hong Kong? Wong does business in Hong Kong through Wave Media. Another attempt to mislead people.

On the Beautiful Sunday programme Donald says he has done everything within the regulations. Standards have risen. He says they are better than before 1997. But he appoints a committee to look at them. He expresses gratitude to the media. He must be whiter than white. There is no inadequate transparency unless you ignore the existing rules. private and work matters are clear-cut. He knows how to distinguish between them. You have to be careful every single day. He knows the public sentiment. Hong Kong is a highly transparent society. But Donald knew he was engaged in secret dealings and had misled colleagues. Donald is criticised by his interviewer for mentioning a conspiracy theory. Donald uses that idea when looking at reporters. AT the mention of collusion meaning corruption, Donald mentions his standards review committee. Donald says it will examine the matters in question. But they only look at guidelines. not his actions. It is a smokescreen, fog.

Now to the rental of his 6000 square feet penthouses. Donald says he didn't read the newspaper notice. He confirms he is the tenant. And the spiel about living outside Hong Kong. He can't live in Hong Kong as he has rented out his own flat. His wife wont throw everything out. He just happened to meet Bill Wong and he had a flat. And Donald recites the

story announced in the newspaper. No mention of meeting Barrie Ho. He began renovation late 2011 he says. This actually began mid-2011. Once or twice they viewed progress, see if they have any special requests but did not hinder progress. This is not true. Donald paid 800 K RMB in November 2010 but now he talks of the market rate. One million HK dollars a month would be the market rate. He'd had two years to check the market rate. Wong just happened to come up with the same amount Donald had been paying. Pure baloney.

*The quote "Oh! **What a tangled web we weave, when first we practice to deceive**" refers to how complicated life becomes when people start lying. It originally referred to a love triangle in the play "Marmion" by Sir Walter Scott.*

I of course prefer Mark Twain. "If you always tell the truth, you never have to remember anything."

Donald says he knows he is under public scrutiny. Within a week, despite it all being above-board and innocent, Donald announces he is abandoning the lease.

He is also very fulsome with Commercial Radio. A full and frank account, the system will be looked at and he will issue a press release. Pure cant and hypocrisy. The statement does not mention the 2010 payment, connections with Wong and Barrie Ho, the fact that all the work is following his exact and personal specifications. Renovation does not figure in the lease or supplement.

March 2012 the intention not to live in the property. he tries to extricate himself from a difficult situation. Donald states to his own investigative committee that he is subject to the same rules as other Exco members and to conflict of interest. No mention of meeting/hospitality in Shantou and/or with Wong.

Nothing could have been clearer the the conflict of interest. But he might also have produced the 21st February 2012 lease and a receipt and a supplement to the lease. They only emerge in September 2013 for the ICAC. Nothing put out in 2012 tells the truth. The lease is a sham. We cannot believe the stamps and dates. There is the error in the rent, 8 million or 800k? In the contract July 2012 is given as deadline for first

payment but this does not mention 2010 payment. And a four-month *de facto* rent-free period. If the documents were available in 2012 why do they get the facts wrong? They get them wrong because this was a cover-up.

What was the 800K RMB in November 2010? It wasn't rent. Why no record of the payment and no witnesses and in cash and no advisers? Prosecution can't solve this and doesn't need to. It is sufficient to demonstrate that the arrangement was corrupt. It was possibly a license to occupy at undervalue or buy at undervalue. No evidence that this was a short-term tenancy. It was designed specially for his own occupation.

Mr Perry is winding up. All the evidence points to Donald's guilt. He is dealing with legal directions, the burden of proof, standard of proof and the defendant is of good character. Inferences and conclusions. The documentation makes the case absolutely clear. Every question does not need to be answered.

The key issue in the first indictment is the advantage of the refurbishment of the property. This was kept a secret, including the fees of Barrie Ho. This was on account of New Wave Media's application for a broadcasting license. It was not honest, in good faith and at arms-length. It was corrupt. The test is: would that advantage have been given to the defendant if he had not been CE? Donald placed himself at the disposal of the company for personal gain.

Count two, wilful misconduct, concealment of dealings with Bill Wong. No one could have any confidence in his dealings. He kept his dealings secret whilst declaring less significant conflicts of interest. He was constantly reminded of this concern. It must have been obvious to him, he abused the system.

Count three, the award to Barrie Ho. He put forward his name in a misleading way. Any suggestion by the CE's office would be adopted. The Federation of Youth Groups reason was a smokescreen. He improved his nomination form. He approved the honour and officiated at the ceremony. Donald wished to be kept in the background and used the normal mechanism for his own personal purposes. Barrie Ho was sworn to secrecy and kept his work for the CE secret.

Appealing to the jury to do its duty, Mr Perry closes his submissions.

Soon the opening and closing remarks of the defence. For a novelist, this will be very interesting.

Pip, pip!

## WELCOME TO THE PARALLEL UNIVERSE

9/2/2017

### LIVE UPDATES AT THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT

When Bob Dylan got a Nobel prize and Donald Trump became President of the Cousins last year we knew we had been occluded by a large sector of the parallel universe. In that universe, objects fall up not down, time goes backwards and large granite rocks weigh a feather and are soft to the touch. In the criminal courts of the parallel universe there are two possible verdicts: Persil and Reasonably Innocent But You Know. Yesterday the Defender of Pinochet began Donald's defence with arguments you could have written on the back of an envelope knowing nothing about the case except that it involved a public figure, a grandee, a toff. These arguments were:

1. You 'ates him cos he's famous.
2. You is linking fings togetha what's quite different.
3. It's Not Unusual.
4. He neva got nothin' much outa that rich bloke.
5. He wasn't on a promise.
6. Shut up, he ain't bent,

I think I got them all. Let's see if there are any new ones this morning, arguments which completely ignore facts like no benefit needs to be proved in bribery and no act of favour needs to be defined or performed. But those are things from our old famliar universe. Who knows how far we - and the jury - may be occluded?

LIVE

She opens today with a foul smear on David Li, something sinister about his travel to the Mainland when he didn't and it wasn't. And the 350K cash payment. The money doesn't have anything to do with the flat and it didn't go to Mrs Donald. Oh yes. The ICAC didn't interview the secretaries

when the readies were handed over. For example the secretary who actually handles the cash. In fact of course it took the ICAC five months to even interview those witnesses it did. It was a regular banking transaction six years ago. The time stamp indicates that the earliest time the cash would be available in 18 minutes, at 9.38. Mrs Donald is in a private room. And the correct document had to be printed and processed at 9.39. So Mrs Donald is in the room before the cash is counted but it is in the room with her. Ah Han, one of the secretaries, says she never met Mrs Donald and never gave her cash and she was the one who handed it over. So it is not the same money. If it was illegal, eight people were involved in handing it over. Look at the charge. There is no mention of the 350K. And nothing mysterious about that figure. It was ten per cent of the renovation costs, says Barrie Ho. The prosecution have cherry-picked the facts. Mrs Donald paid 200K to Li. This whole thing is a distraction. No safe conclusions can be reached.

Li's 5th November travel now. The assumption that he travelled with the Donalds as they arrive back at the same time at Shun Tak Ferry Pier. It wasn't a secret as a bodyguard travels with the CE from Macau. No evidence that this had anything to do with the Shenzhen property. Now to the connection to Bill Wong. There is no secrecy available on the Mainland either. Why did they need to meet? Now a few For All You Know arguments. The Donalds may have come across the flat in the ordinary course of looking for a flat.

Were there secret meetings and special treatment? No evidence that Bill Wong was hands-on in this matter.

Two designers were employed. Nothing suspicious about the arrangements.

Mrs Donald is inserted into the schedule of meetings because she did the conspiratorial work. But there was no evidence she was alone with him. She was with Donald and security personnel. On the other occasions she is with Barrie Ho and he says that no time did he ever meet Bill Wong. On International Women's Day for example Mrs Donald stays in the local Mainland hotel and has full days of appointments.

Now to Donald's schedule of visits to the Mainland. Any day in one



January Mr Wong was there, he was there thirty days. There were negotiations about democratic reform. There is no evidence of no secret conspiratorial meetings. And we go through the timings and the dates. One meeting must have rather rushed. Just as the trip back with Li was open and not secret. And Donald's letter to the Shantou beano hotel manager was open and on official paper. And so on. It isn't for the defence to show a meeting didn't take place.

The prosecution ignores evidence which point in a different direction. Mr Mak for example. 2012 events were said to be mainly a planned cover-up. Tsang was said to have not volunteered information, the press were already onto it all. Kenneth Mak conforms there were no press inquiries to his office. Donald Mak says that Donald brought a copy of the lease into his office in February 2012 to check his answers to Legco. The lease didn't just come to light in 2013.

Now to the redecoration and refurbishment of the flat as a reward. The prosecution have not explained why anyone would want to reward the CE. David Li and Bill Wong were just shareholders of Wave Media, they didn't run the company. Albert Cheng largely did.

The charge we are considering is there because Donald ordered it should apply to him. It is a cynical statement to say that any businessman would like to have the CE as a friend. Why would Arthur Li have to be approved by bribery. Er...

Albert Cheng was running the company and he would decide on whether he should pay a bribe. But he didn't. There was no need. Improvement and promotion of digital radio was obvious too. Nothing would cause concern and there wasn't even real competition.

On this latter point, it should not be forgotten that the Chinese Communist Party, through a bagman like Wong, always prefers to bribe rather than persuade or to rely on public approval or an obvious need. Wong's agenda was to run, dominate, then, if necessary and possible, close DBC. This is the CCP agenda in all its media acquisitions in Hong Kong. Wong was already thinking ahead.

The other point is that Donald had already been sticky, despite enormous pressure, over the West Kowloon Cultural District. He didn't want another

Cyberport and told the real estate developers like SHK so. That set in motion the corrupt manoeuvres and ultimate imprisonment of the Hui Kwok gang. On the strength of all that temerity, Donald had leverage to demand anything he wanted from the moguls, local or Mainland. A nice retirement home was a relatively trivial, relatively safe but much desired option.

We go on. When the license was granted, Wave Media knew there was an open negotiation and there was very chance of it being granted. They were confident no one would say no.

The Shenzhen ~~brothel~~ clubhouse was crumbling and needed refurbishment. A landlord would have to carry out work anyway. For three million, including intelligent toilet and calligraphy room. Only Wong's company would benefit. The Donalds were paying for it. There is no evidence that they were paying the market rate but the prosecution has not established what the market rate was. The presenter on Beautiful Sunday thought it was too much. We simply do not know what happened to the flat before and after Donald's involvement. There was no proven sweetheart deal.

The request of Mrs Donald was not for luxury when she met Barrie Ho and Calvin Ng. The Donalds were not able to do what they liked. The company was allowed to make changes. And they were willing to pay rent. East Pacific proposed a different toilet bowl. None of what the feng shui master requested was likely to delay things. The decoration work stopped when the story broke in the newspapers. That fact has not been proved. Only Barrie Ho was asked and he said he didn't know when it had stopped. The work carried on.

Was there a lease? How can a payment in 2010 be connected to a lease signed in 2012, asks the prosecution. But that's the wrong question. It might be a deposit. A sign one was serious. Why should he volunteer the information that he has leased the flat if there is no lease? We are going to listen to the Beautiful Sunday programme again later. He also tells people later that day on TVB exactly where the flat was.

Evidence in 2010 and 2011 shows it was no sham and there was no cover-up. Wong identifies himself as the landlord and there is a reference to a temporary stay for two years. The changes in the supplemental lease make

it look as East Pacific is paying for utilities as well as management fees. But this is normal practice in for example serviced apartments. The added clauses don't look like a sham, they look like arrangements for a long-term lease devised by lawyers.

And we are back after lunch. Hopefully the defence will finish today.

We are back with the lease, allegedly a cover-up and sham. If it was a cover-up why would he produce something not normal? No comment. Anyone can look at a lease, including Legco and the ICAC. Why did it take the latter sixteen months and twenty-three days to do so? And what could be wrong in putting the son's address as correspondence address when you are moving out of your present accommodation? Why didn't take up the flat? It was a goldfish bowl. It had too much glass. He would be constantly under press surveillance. In the end the landlord is compensated because the lease is broken.

Now to non-disclosure, counts two and three. Donald does not dispute that he is not above the law. No direct financial interest. The situation would not incline him to take a particular decision. Donald had no significant personal interest in the outcome of the Wave Media application and no declaratory interest where it it might be thought it would incline a member of the committee to a particular decision. This does not cover property that you rent. It only covers landlords. This is what Donald thought. and Donald had no one to consult about the matter. He made an error of judgement.

The note by Barrie Ho that it should be "totally discreet" was simply a wish for privacy when retired. And a similar wish was expressed to another witness. The whole aim of going to Shenzhen was to avoid accusations of collusion with Hong Kong businessmen. Oh yes.

He was planning a normal rental and nothing arose which was a true conflict of interest in his mind. He could have said everything perfectly freely and still gone on and voted on the issue. Only his Exco members would have known. The Li committee recommended three members to examine such matters.

Was Donald paying for the renovation by paying market rent? In no way did he feel under obligation to Bill Wong nor to Wave Media.

A lease gives a temporary enjoyment and giving it back at the end. If all along Donald thought he would rent he believed there was no conflict of interest. It was a private arrangement. He may have got it wrong. He thought too highly of himself. His conscience was clear.

This of course is a lot of balls. With power comes responsibility.

Donald volunteered the information about the flat. Well, he probably knew it would soon all come out. The press did not call as they did not want to forewarn him. The photos don't prove anything. Why did they wait to publish? I think there are clear reasons for that too.

One newspaper Ming Pao did mention Barrie Ho, which belies the idea somewhat of a coordinated conspiracy. Albert Cheng often employed the PR agencies. The error about the terms of the lease in the statement also belies the idea of a conspiracy.

Donald is damned if he does and damned if he doesn't, says the defence. Poor man.

Apparently the interview on Beautiful Sunday will exonerate him. Cant' wait.

Are you occluded? We are not. If you are worried about occlusion by a parallel reality, consult your doctor.

She concludes tomorrow.

Pip,pip!

## **INVENTING THE LAW**

**10/2/2017**

### **LIVE UPDATES AT THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT**

I forgot to tell you. I'm a legal expert. I took the Common Professional Examination three times until I emerged victorious so I know that criminal law is made by statutes (aka ordinances) and judges, not by defending barristers. Yesterday on two notable occasions, the Defender of Pinochet got rather carried away in her parallel universe. For example, she fancied that a tenant can't gain any benefit from having the place done up even to his own specifications and at considerable cost, particularly if he is going to pay or is already paying rent. Wrong. Secondly, the DoP, clearly flagging and on her hind kitten heels, suggested that someone as eminent as the Chief Executive, accountable to no one, merely makes blunders when he breaks the law and rewards himself with the generosity of local businessmen. Wrong. With power also comes responsibility. Donald was subject to his own regulations. You mention the retirement home if the landlord and his friends are bidding for a government license.

**LIVE**

We go on this morning in what should be the final session of the defence, admirable in some respects for its attention to largely irrelevant and misleading detail. But the hope is that many a mickle makes a muckle and that enough doubt arises in the minds of the more vulnerable jurors that they can't convict. Stranger things have happened at the High Court for sure.

Now we are hearing (again) the jolly Beautiful Sunday programme in which Donald tried to misdirect public attention, deal with the damage, appear concerned, responsible and ethical. It was broadcast just as the Hong Kong Press were finally revealing the extent of Donald's readiness to receive largesse and live it up like Raffy Hui. If we can't hear Donald from the witness box, we can at least hear him sing on the radio. He does a good job at contrition. After forty years in the civil service, he must be a master of the bullshit, especially when agents of the disenfranchised and unwashed populace deign to query his divine right to rule. The point

attempted to be made by this tedious replay of the programme is that Donald was being forthright, honest, spontaneous, everything an innocent public servant should be. It all sounds monotone and pat to me. My Cantonese colleague beside me says it sounds unconvincing,

Now to the third count, the Barrie Ho medal. Why would he suggest such an award if it were all part of a corrupt arrangement? And why should he do so before Ho had produced his glossy plans? Again, crime does not look to motives. People often commit crimes for unknown and even for no reason. Donald did not have to rely only on his own eyes when he visited the Federation of Youth Groups HQ. The fact that Barrie Ho was working on his penthouses was irrelevant. Donald did not interfere in the selection process. But that of course is not a point made by the prosecution. Donald exploited the system. He did not manipulate it. Donald knew that his nomination would never be rejected by anyone. But the DoP refers to the quality threshold of nominees, as confirmed by our own chief Dalek Carrie, and I have to laugh. Barrie Ho knew nothing about the nomination. He thought he deserved it. And there was no time or reason to have any discussion at the awards ceremony.

Now the suggestion that secrecy is a badge of corruption. If this was a case of corruption you would expect to see secrecy - but real secrecy. That would be only the briber and bribee know. In fact this is probably true. But is it an argument to suggest that if people find out, it can't be a bribe? Meetings with Barrie Ho at Government House can't have been secret. The contract also isn't secret. Of course not, it was a sham, produced when things got too hot. There were also no secret meetings on the Mainland between Donald and Bill Wong. And why does one write an open letter to a Shantou hotel manager? Well, you believe such details will never come out. And the defence disputes that the 350K was ever paid. Presumably it is still in the private VIP Customer Office at the Bank of East Asia.

We continue after a most welcome coffee break. We are looking at a record of the 50th anniversary dinner of the Federation of Youth Groups and a Leadership Forum meeting. There is also no evidence that David Li went to the Mainland and not Macau.

If this whole affair was corrupt what would you expect to see? Would Donald have announced it as he did in February 2012? Would this accommodation offer have been available to anyone else but the CE?

There is no evidence that it would not. There was no reason for bribery, to grease the wheels. Donald acted perfectly normally at Executive Council meetings. There is no attempt to get Donald onto the side of Wave Media. There was no reason to refuse the applications. They were in the public interest. A bribe doesn't make sense economically and the idea of the CE coming to the end of a glittering career. It doesn't make sense legally when new regulations have just been brought in as proposed by Donald. No one can be sure that Donald received special treatment because of the Wave Media application. The jury should always pause and consider the evidence for many prosecution assertions. Here are six pieces of evidence:

1. Selina told Barrie Ho that the flat would be for temporary living.
2. In 2010 the Donalds paid East Pacific Holdings, not the other way round.
3. The arrangements under which Ho worked and the details of Mrs Donald's requests were never hidden. Why would Donald volunteer the lease? And if it was a sham, a standard form would have caused less suspicion.
4. No obligation under Exco rules to declare a lease. It could only have been a mistake not to do so.
5. Everyone agrees there is no need for anyone proposing an awardee to reveal his connections.
6. Was there a direct link between any advantage and the Wave Media application? No witness thinks so.

Donald Tsang has given over forty years of service and given great service. He has not benefited from this service. He has not taken up directorships etc. He has not bought other property in Hong Kong to avoid doubt. Where is the evidence for Donald exploiting his connections to businessmen? Donald is a straightforward person, not scheming. This is the exact opposite of being two-faced. Carrie said he was her role model. Why would Selina ask for simple decoration? This was not a simple example of corruption. There was no need for any corruption. Look at the evidence and no evidence of greed, accepting an advantage. There was no misuse of the honours system. Failure to mention a private service is no

crime. Donald was not perfect. It was a minor error of judgment, not a crime. This is not a matter of corruption or misconduct. A 72-year-old Donald is in the jury's hands. The jury has the privilege to judge the case. There is no evidence for the prosecution's story. Set aside assumptions and speculation. Donald is not guilty. Oh yes. The judge's summing-up commences next Tuesday morning. Pip, pip!



## A SERIOUS MAN

14/2/2017

### LIVE UPDATES CONTINUE AT THE DONALD TSANG CORRUPTION TRIAL WITH THE CYCLING COURT CORRESPONDENT

Judges of course vary from the true pain in the backside to the ribald to the pretentious to the jolly to the...well, they all have a character which comes through in the course of a trial. Most Hong Kong judges are rather nice in fact but not I suppose if they are turning down your appeal, sending your child to the other side of the world or giving you a life sentence. Andrew Chan is a tough man, very sensible, very down-to-earth, but not without a sense of humour or a human touch. He has remained gallantly awake during all of the trial and hasn't lost his temper with the worst of the defence's insurgencies from the parallel universe of jurisprudence. His task today as he sums up will be to remind the jury that this is rather a simple case based on sound legal principles. Every payment in a bribery and corruption does not need to be explained and there is no truth, for instance, in Montgomery's Law:

*Real bribery is secret so if we find out about it, it can't be bribery.*

Exploiting a mechanism for making public awards is not the same as manipulating it, but equally corrupt when the awardee is your interior decorator and you are the final arbiter; and extensive, luxurious and personalized renovation to a property can very much constitute bribery, particularly when the bribee is the Chief Executive and the briber is a CCP bagman on the make.

Or not. That is entirely a matter for you.

LIVE

We are now having the usual announcement from the court clerk that if you do not know how to switch off your phone, you should seek the assistance of the court or a government web site.

The judge's summing up commences.

He will give directions and notes on the evidence and pull everything together. The important issues are that it is not disputed that Wave Media, later DBC, applied for a digital broadcasting license. It was approved in 2.11.2010 and granted 22.3.2011. WM surrendered the AM license 2.11.2010. Donald approved this as chief executive in council, Arthur Li was proposed and approved as Chairman 20.2.2012. 22.2.2012 Donald goes on the radio and for the first time mentions an apartment as a temporary residence following retirement. He later revealed further details, also on the radio. He identified the owner, the location, rental, length of occupation, timetable and extent of renovation. He explained the circumstances of finding the property and why he was going to live in Shenzhen. Donald also mentioned his approval of WM's application and the fact that he did not reveal his dealings with Bill Wong as there was no need. The refurbishment was a bribe, says the prosecution. The lease was composed out of panic and was a sham, says the prosecution. The design work carried out by Barrie Ho was rewarded with an award. Barrie Ho's work for himself was not revealed by Donald.

The fact that Bill Wong was a shareholder in WM and landlord was far-fetched and was not discovered by Donald. The award was for good work at the Federation of Youth Groups. He rightly deserved the award, says the defence.

The jury must decide what evidence to accept. He turns to his legal directions, which they must accept. The jury must however decide the facts. They do not have to accept any views from anyone and may use evidence which is not mentioned by the judge. Now to burden of proof and standard of proof. Each count must be considered separately. Evidence from one count may be relevant to another count. They must not speculate about evidence, for example what David Li or his secretary might have said. Use common sense and do not necessarily trust demeanor. All or some evidence may be rejected. The case has attracted media attention. The jury should not be distracted. They should not allow their views about Government collusion to colour their judgement. The court is also not a court of morals. Emotions are not relevant.

Donald is not charged with the use of yachts or jets by his friends. He is not charged with receiving 350K. The amount is relevant to the amount of rental paid. Chronologies or flow charts are not evidence. They are simply

an aid to understanding, if that is they truly reflect the evidence. Admitted facts must be accepted as irrefutable evidence.

Now to circumstantial evidence. Facts may be proved by reliable direct evidence but this is not always available. When taken together circumstantial evidence may prove the case. Not everything in a case will be understood. Speculation should be avoided but inferences are permitted if an inference is the only reasonable one to be drawn.

There is the famous, in the case, example of the payment of 350K to consider. Quite a lot of events to consider. We are of course convinced they all amounted to bung.

It is a fine but brisk morning outside. The public park notice reminds us not to spread germs by coughing indiscriminately. The industrial strength coffee from the canteen reaches nerve fibres long thought dead or atrophied.

We continue. The judge is correcting the timing he gave for the deposit and transfer of the 350K. The approval of Arthur Li was also given on the 20.1.2012, not February.

Does anyone have any suggestions of a title for this mini-book I am writing?

Now to directions as to what the prosecution seeks to prove and what must be proved. The indictment has three counts and we are hearing them in full. They are quite lengthy and detailed, giving the dates of the relevant meetings of Exco for example, and all the pertinent clauses of the Prevention of Bribery Ordinance, where applicable. There are now six factors to consider:

1. There was an acceptance of an advantage.
2. The acceptance was without lawful authority or reasonable excuse.
3. The acceptance was an inducement or reward for otherwise on account of performing or abstaining from performing, or having done or not done so.

4. The act was in Donald's capacity as Chief Executive.
5. That the act was identifiable as within his capacity of CE.
6. The defendant knew all these factors.

Advantage is any gift, loan, fee, reward, commission consistent of (with) money or of any valuable security or of other property or interest in property of any description. And any other service or favour. Any offer undertaken or promised whether conditional or unconditional of any advantage. Property can mean any goods or money. Goods and services can be an advantage. Refurbishment and redecoration is described as the advantage in the indictment. Fittings, mirrors, carpets, gymnasium equipment, the engagement of Barrie Ho, the stripping of of and installation of new fittings were all provided.

The refurbishment was carried out following minute instructions by the Donalds. All the evidence points to acceptance and refurbishment was included in a description given (in the contract?).

It is no defence to say that I did not have the capacity or power or right or opportunity or I accepted it but have/had no intention or in fact I did not do the guilty act of favour.

Was there lawful authority or reasonable excuse? Why was the advantage accepted? A bribe has no reasonable excuse. The acceptance was the result arrived at at arm's length, *bona fide* between a landlord and a tenant, says the defence. There should not be any difficulty in arriving at a conclusion here.

Next to condition three. An official may have performed his duty and reached the right decision but still have accepted an advantage. It is not necessary to prove any favourable act by Wave Media. Whether the advantage was accepted as an inducement is important but the act or an act of favour need not be identified. The prosecution claims that there was a definite aim in giving/accepting the advantage, the applications by Wave Media, and in Donald's capacity as CE deciding on the applications. The prosecution through Mr Perry highlighted the secrecy and disguise in this case, badges of corruption. The defence highlighted assumption and

speculation in this case. There was no good reason for Wave Media to offer an advantage. Donald simply overlooked whether there was a conflict of interest.

There is no difficulty with condition four and condition ("ingredient") five.

Now to misconduct in public office, counts two and three. The facts not disclosed to his colleagues.

Early lunch break and we resume 2.20 pm.

So far, it does not look too good for Donald.

The "recipe" for conviction under counts two and three:

1. A public official.
2. Wilfully misconducts himself by act or omission.
3. In the course of or in relation to his public office.
4. Without reasonable excuse or justification.
5. Where such misconduct is serious, not trivial, having regard to the responsibilities of the office and office holder, the importance of the public objects they serve and the nature and extent of departure from those responsibilities.

No problem with the first requirement. Under article 47 of the Basic Law, the CE must be a man of integrity. Article 48 describes the powers and functions of the CE.

Now to wilful misconduct. Wilful here means deliberate rather than by accident or oversight or inadvertence. Is the account given by Donald on the radio true? Count two is a failure. Count three is an act and an omission.

In count two all the evidence points to the applications being discussed at

Exco. In count three, Donald instructed Kenneth Mak. behaviour different from ordinary citizens. It was made through the CE's office.

Now to ingredient four. If the defendant acts wilfully, there is little room for reasonable excuse or justification. Was the act serious enough considering the defendant's responsibilities, the departure sufficient to be named serious.

In count two there is the failure to disclose dealings with Bill Wong. This count does not allege bribery or corruption so even if count one is not proved, count two must be considered. Was Donald hopelessly compromised? We can refer to the chronologies to look closely at all the relevant events. The defence urges against jumping to conclusions, even if the events are so close to each other.

Now to the evidence. There were 37 prosecution witnesses either by court evidence or written evidence. The evidence of the witnesses is gone into (see previous parts of this account). Donald had to give a public and a private (financial) declaration. He was accountable to both China and to the HKSAR. No limit to his responsibilities.

We will close then for today with the detailed summary of the prosecution witnesses' evidence still sending us into that deep somnolence only the High Court can, on occasion, induce.

Pip, pip!

## A MATTER ENTIRELY FOR US

15/2/2017

### THE JUDGE WINDS UP AT THE DONALD TSANG CORRUPTION TRIAL WITH OR WITHOUT THE CYCLING COURT CORRESPONDENT

If Donald is convicted our book will be called *Just Plain Greedy*. If not it's *Retirement Options Today*. The consensus in the gallery yesterday was that Donald is as guilty as Hell and that the judge was not saying anything to disabuse anyone of that deduction, conclusion, inference, assumption or speculation. We on the other hand are biased but completely without malice. The greatest sin of Donald is that he is a representative of a dictatorial coterie which has run Hong Kong for 150 years. The fact that he is had up for three million dollars of bung and not telling anyone about it all is not particularly important because people like Donald are not particularly important. It is the class he served and serves which is the enemy and the importance of the case is in confirmation of the vistas into the workings of the unelected Hong Kong grandees we have already glimpsed in for example the trial of his colleague Rafael Hui and his associated bung masters and bagmen. This has been a rolling reportage of what we perceive and how we honestly felt at any given moment observing this expensive trial. We are not the BBC or the Supreme Court. We are entitled to express hostility to and despise men who need six thousand square feet to live in, who regard the public awards system as a personal fiefdom and who need ten bodyguards at public expense when former U.S. presidents have one. The judicial process is incidental to that. Will he be found guilty? Will he walk free? It's not particularly important. More important is how we feel at the end of this sorry little trial and what confidence, if any, we have in the gentry who continue to lord it over us in Hong Kong. This is entirely a matter for the citizens, for us.

#### SCMP ALIBABA:

Former chief executive Donald Tsang Yam-kuen is one step closer to learning his fate, as the jury is set to retire on Thursday to decide whether

the former leader's alleged misconduct was an "error of judgment" or "a story of greed".

After six weeks of testimony and submissions by lawyers, Judge Andrew Chan on Wednesday told the jury of eight women and one man that their deliberations would start on Thursday following his summing up of the case.

"I think I will deal with Mr Henry Tang tomorrow," the judge said, referring to the testimony of former chief secretary Henry Tang Yin-yen given close to the end of the prosecution case.

He was expected to speak for half an hour, he said, before he would send the jury out for their deliberations.

"See you tomorrow morning at 10am," he told the jurors one last time before they headed home. They will not then return home until they reach a verdict.

Tsang, 72, has denied two counts of misconduct in public office and one of accepting an advantage between 2010 and 2012.

It is alleged that Tsang deliberately concealed from the Executive Council his ties with businessman Bill Wong Cho-bau over a three-storey penthouse in Shenzhen.

His lawyer claimed Tsang had paid Wong 800,000 yuan (HK\$903,000) as a rental payment at the market rate. But the prosecutor argued the sum was a secret deal to make a purchase at an undervalued price or for a "licence to occupy" the flat for as long as he wanted.

The penthouse at East Pacific Garden was owned by Wong's companies, which also paid for the property's HK\$ 3.35 million refurbishment fee, the prosecutor alleged.

Tsang is accused of failing to make a declaration to the Executive Council when the council approved various applications, including for a digital audio broadcasting licence, for radio station Wave Media, of which Wong was a shareholder.



He is also accused of putting forward interior designer Barrie Ho Chow-lai for an honour under the city's awards system, without revealing to relevant government bodies that Ho was engaged in the design work for the penthouse.

In his closing speech, prosecutor David Perry QC described Tsang's conduct as "a story of greed", while criticising the defence's attempt to dismiss the allegations as "terrible coincidences".

The defence urged the jury not to succumb to the prosecutor's cynical assumption that all politicians lied, saying that Tsang's failure to make a declaration would at most be an error of judgment, not a criminal offence.

In her closing submission, defence counsel Clare Montgomery QC also called the prosecution's case, which relied on a number of inferences, as "nothing more than an invitation to speculate".

As the trial nears its end, more siblings turned up to support Tsang, who has been accompanied by his wife, Selina Tsang Pou Siu-mei, and sister, Katherine Tsang King-suen.

On Wednesday, brothers Norman Tsang Yam-huen, Charles Tsang Yam-chuen and former police commissioner Tsang Yam-pui attended the hearing to show their support.

His two sons – Simon Tsang Hing-yin and Thomas Tsang Hing-shun – were also present.

## **DECISIONS, DECISIONS**

**16/2/2017**

**LIVE: THERE IS NO VERDICT TODAY, THE FIRST DAY OF JURY DELIBERATIONS, IN THE DONALD TSANG CORRUPTION TRIAL AT THE HONG KONG HIGH COURT AND PROCEEDINGS ARE CLOSED FOR THE DAY.**

**7.55 pm The jury will be given the answer tomorrow and they are being told to go to bed at the High Court. They should not discuss the case further tonight. We resume tomorrow 9.30 am. The judge is also hearing another controversial case tomorrow. Perhaps he needs two courts?**

7.40 pm The answer to the first question has been communicated to the jury and now we are discussing the answer to the second question. The prosecution is suggesting the judge repeats an earlier direction. One can accept a corrupt bribe for doing one's duty. It does not have to be a reward.

6.15 pm The judge is about to return. He enters now and intends to tell the illustrative example given below about a school report to guide the jury.

There is also a second request from the jury. Is it necessary to prove that the benefit Donald received in count one was a reward? It is not necessary but the prosecution is content to make that assertion. The judge has already given a direction on this on Day 26.

5.15 pm The judge has gone away again to have another think about an everyday example of reasonable excuse.

Any children's storytellers out there?

**4.35 PM: IT LOOKS AS IF THE JURY IS TO BE RECALLED FOR DIRECTIONS**

The jury wishes to have an everyday example of reasonable excuse. The prosecution alleges deliberate and wilful concealment of the real reason for Barrie Ho's nomination for an award. The judge's and the prosecution's example is of a boy who forges his father's signature on an unfavourable report. He may also not sign it and proclaim that he forgot to show the report to his parents. Donald did not deliberately conceal his motives and claim that it was reasonable to do so. The defence claims that he was under no obligation to do so and that Ho was awarded his medal on his own merits. The defence brings the example of someone applying for a driving license with bad eyesight who doesn't declare that fact. That is ignored. Justification or reasonable excuse in the report signature example would be if he called his father and explained and his father gave his permission. The defence case for Donald has no reasonable excuse or justification. It was a misuse of the system. The judge has already made that clear in his summing up.

**LATEST: THE JURY IS IN DIFFICULTY: BACK SUDDENLY AT 3.50 PM FOR LEGAL DISCUSSIONS ABOUT LACK OF DIRECT EVIDENCE AND REASONABLE EXCUSE**

This sounds as if the jury is having difficulty with the evidence in count one, the direct bribery charge, where much evidence is circumstantial, fragmented. But that is the nature of bribery and conspiracy. Much is hidden and a picture must be arrived at by inference and by extension. Donald has just sauntered past and looks far from relieved by the development.

**10.47 am THE JURY IS SENT OUT AT THE DONALD TSANG CORRUPTION TRIAL - THE CYCLING COURT CORRESPONDENT HAS BROUGHT HIS FLASK AND SANDWICHES**

Even more young reptiles and reptilettes (well the Hong Kong example is more a rabbit or a hamster) of the Press this morning complete with notebooks and huge cameras. The involved ticketing operation to regulate the anticipated masses interested in the case has been rather a failure as there are dozens of empty seats in the gallery. Not like other trials. But there may be a surge in the audience when the verdict is announced, this late afternoon I should think. There are only three counts to consider and they are in many ways related so it is tempting to think that if the bribery

is accepted, the two misconduct counts naturally fall into place. On the other hand, bribery may be denied and the other two counts accepted. It only takes one count to send you away for rather a long time: Thomas Kwok got five years. At the age of seventy-two, Donald may think five years is rather a lot of the life remaining to him. On the other hand, he may emerge not guilty and walk into the February sunshine, glowing from the morality shower which is, sometimes, for the fortunate few, the High Court.

*This is my jury. There are many like it, but this one is mine.*

*My jury is I hope my best friend. It is my life. I must master it as I must master my life.*

The judge is first going through the evidence of Henry Tang, to wind up his summing-up. Tang was chairman of the Honours Committee. Committee members had to declare an interest. There was a quality threshold, bureaux had to be consulted and no pressure was placed on Tang to handle the candidature of Barrie Ho in any particular way.

The Prevention of Bribery Ordinance should apply to the CE, Donald said.

The work by Barrie Ho for the Federation of Youth Groups was not a smokescreen, said the defence. His private work was of no account. And the arrangement with East Pacific was at arm's length and bona fide. Oh yes. There was nothing unusual in all this. The judge is quickly going through all the arguments used by the defence.

Now the PR companies called Link Work and Ling Fung, who compiled and arranged the newspaper announcement of East Pacific, organised by Albert Cheng. Then there are the witness statements from the Development Bureau. Barrie Ho helped with several floors of the 14.5-floor Federation of Youth Groups. Donald saw very little of it. But he did attend a jubilee dinner and chatted and was perhaps informed of Ho's brilliance there.

Then there are other miscellaneous witnesses and exhibits, such as Albert Cheng's secretary, and interviews with Mrs Donald and the CE's office. No lease had been seen or had been produced. Then we are reminded

about how sticky the Bank of East Asia had been with statements and interviews.

Now the final reminder of the judge to the jury regarding their duties and responsibilities. A unanimous verdict is preferred but 8-1 or 7-2 is acceptable. There is a kind of guided quiz for each juror to fill out.

The usher now swears to do her duty. The jury was sent out at 10.47 am. They must leave their phones with the usher.

13.15 No verdict.

**The verdicts will be posted above as soon as we hear them.**

Useful graphics and a timeline on the SCMP Alibaba.

**As misconduct trial wraps up, what next for former Hong Kong leader Donald**

**Who?**

Donald Tsang, 72, was a civil servant for 40 years before becoming the second chief executive of Hong Kong between 2005 and 2012. The post of chief executive is the city's highest political office.

**What charges?**

Tsang faces three charges: two of misconduct in public office and one of a chief executive accepting an advantage.

**Charge No 1: accepting an advantage**

The prosecution alleges that Tsang received free renovation work worth HK\$3.35 million on a Shenzhen apartment he planned to live in during his retirement in exchange for him approving three applications from radio station Wave Media.

The defence says that the renovations were necessary because the penthouse was uninhabitable, and that Tsang did not pay for them because he was going to live in the house only temporarily.

## **Charge No 2: misconduct in public office**

The prosecution says Tsang committed misconduct when he took part in discussion of the Wave Media applications but failed to declare his conflict of interest. They say he should have told the Executive Council that he was negotiating over a Shenzhen property with a Wave Media shareholder Bill Wong Cho-bau.

The defence says Tsang did not need to declare the connection because it was too distant.

## **Charge No 3: misconduct in public office**

Tsang is accused of again committing misconduct by failing to declare his connection to interior designer Barrie Ho Chow-lai when nominating him for an award. Ho was the designer behind the HK\$3.5 million renovation on the Shenzhen apartment Tsang planned to rent.

The defence says the former chief executive did not need to declare the connection, and if he had, it might have put extra pressure on others to approve the nomination.

## **What happens now?**

The nine-member jury will consider their verdict and could find Tsang guilty of all, some or none of the charges. If he is found guilty on any of the charges, Tsang faces a possible seven-year jail term and a fine when he is sentenced. If he is found not guilty on all of the charges, Tsang will walk free.

## **A ‘story of greed’ or simply a mistake? How Donald Tsang went from planning his retirement to fighting corruption**

SCMP Feb 16, 2017

After years in the public eye, Donald Tsang Yam-kuen may have been looking forward to a peaceful retirement in a luxurious Shenzhen penthouse. But instead of kicking up his heels, Hong Kong’s former chief executive has found himself fighting to avoid jail.

For the past six weeks, Tsang has been on trial for bribery and corruption. The prosecution’s case centres around a three-storey apartment where he

and his wife had planned to live after his term as chief executive concluded in 2012.

On Thursday morning, Mr Justice Andrew Chan Hing-wai gave his closing remarks to the nine-member jury which must now determine whether Tsang, 72, is guilty of one count of accepting a HK\$3.35 million bribe in the form of apartment renovations, and two counts of misconduct in office. All three charges carry a possible seven-year jail sentence.

The jury will have to decide between the prosecution's "story of greed", and the defence's argument that Tsang had simply made mistakes, but never did anything criminal.

In 2010, Tsang was looking forward to retirement, the court heard, and began looking for a place with his wife of 40 years, Selina Tsang Pou Siu-mei. They hoped their new home would provide the pair with some privacy after Tsang's long career in politics, and have space for all of their property, after a time in the palatial Government House.

Tsang began negotiating with businessman Bill Wong Cho-bau, director of property company East Pacific Holdings, over a redevelopment of a formerly "unsanitary" clubhouse in Shenzhen.

But Wong was also a major shareholder in radio station Wave Media.

Executive councillors are required to declare any conflicts of interest before debating an issue. But Tsang did not disclose his connection to Wong when he approved three licence applications from the radio station – two in 2010 and another in 2012. One of the applications sought to switch the station's broadcasting licence to a digital one.

In November 2010, the same month Wave Media's broadcasting licence was approved, Tsang's wife transferred 800,000 yuan (HK\$902,000) to Wong's company. The defence said the payment was rent for the apartment, but the prosecution suggested it could have instead been Tsang buying the property from Wong at a bargain price, putting the then chief executive in a "position of obligation".

The only other possibility, according to the prosecution, was that the 800,000 yuan was Tsang paying for a licence to occupy the property under value.

During the trial, the prosecution alleged that Bank of East Asia chairman and Wong's fellow Wave Media shareholder David Li Kwok-po had given Tsang HK\$350,000 in July 2010, which formed part of the 800,000 yuan payment.

Then in early 2011, prominent interior designer Barrie Ho Chow-lai received a cold call from East Pacific asking him to design the renovation for the three-storey Shenzhen apartment, which the property developer would pay for.

After discussing the renovation with then Wave Media chairman Albert Cheng King-hon – described as the “dominant and driving force behind Wave Media” – Ho agreed to take the job.

It was revealed that the designer then began talking to Tsang's wife on a regular basis, the pair meeting 14 times at Government House, Ho's office and at the Shenzhen property to discuss the HK\$3.35 million renovation, which included an automated toilet, a calligraphy room and alterations on the advice of a feng shui maste

Before April 2011, Tsang suggested Ho be nominated for an honour, but did not disclose the connection between them. The prosecution said Tsang used the awards system as his “personal plaything” to reward the designer for his work on the penthouse.

Tsang's “whiter than white”, churchgoing image was called into question in February 2012, when reports of private yacht rides and banquets with businessmen were splashed across the city's newspapers.

Amid the criticism, Tsang revealed his retirement plans. The receipt for the 800,000 yuan payment and the lease agreements, which the prosecution said were created later as part of a “cover -up”, were also dated February 2012.



Around the same time, the Independent Commission Against Corruption started to look into Tsang's actions, but it wasn't until 2015 that he was charged with misconduct, becoming the most senior public official in Hong Kong to be arrested on corruption charges.

With all the details now on the table, the prosecution acknowledged that their story had gaps, but insisted they only proved how secretive Tsang was.

Defence lawyer Clare Montgomery QC, who didn't call any witnesses of her own, said the missing pieces showed the weakness of the prosecution's case.

"The prosecution's case is nothing more than an invitation for you to speculate, to guess, to think the worst of [Tsang] without offering you any evidence," she said.

In her closing address, she questioned why Wong would feel the need to bribe Tsang when he wasn't Wave Media's majority shareholder, and said both of the radio station's applications were likely to be approved anyway. She asked why Tsang, who was only months from the end of his "glittering" public service career, would accept a bribe. Offering renovations to prospective clients was "normal" and if the design work benefited anyone, it was the landlord, not the short-term tenants, Montgomery said.

She said Tsang did not think to declare his connection to Wong, as the link was "far-fetched", and that revealing his connection to Ho might have looked like an attempt by the then chief executive to exert pressure on his subordinates.

"It is a theory, unsubstantiated by any evidence," she said of the prosecution's case

## **From city leader to defendant in the dock: a timeline of the Donald Tsang case**

**1967**

Donald Tsang starts his career as a civil servant

## 2005

Tsang becomes Hong Kong's chief executive, and is appointed again to the position in 2007

## 2010

**February:** Tsang starts negotiating with Bill Wong Cho-bau, a major shareholder of Wave Media, over a penthouse apartment in Shenzhen where he plans to retire/

Invitation for digital audio broadcasting licence begins, which will eventually attract Wave Media, Phoenix U Radio, and Metro Broadcasting Corporation to apply

**July 9:** Public consultation on digital audio broadcasting licence begins

**July 16:** Tsang's wife Selina Tsang Pou Siu-mei deposits HK\$350,000 in cash into her Bank of East Asia account, only 35 minutes after Wave Media shareholder David Li Kwok-po withdrew HK\$350,000 in cash from the same branch. The prosecution said Li gave the money to Tsang to help pay for the Shenzhen penthouse

**November 5:** Executive Council approves in principle Wave Media's digital broadcasting license and orders its application to surrender its analogue licence to be considered, two of the applications Tsang is accused of granting without disclosing his tie with Wong

**November 17:** A payment of 800,000 yuan is successfully made from Tsang's wife's account to East Pacific Holdings, the developers of the Shenzhen apartment. The prosecution suggested the payment could have been Tsang buying the property for less than the market rate

**November 30:** Wave Media changes its name to Digital Broadcasting Corporation (DBC)

## 2011

**February 18:** Interior designer Barrie Ho Chow-lai meets Mrs Tsang at Government House, the first of 14 meetings

**February 22:** Ho signs a contract, agreeing to refurbish the Shenzhen property, after being introduced to the job by Wave Media shareholder Albert Cheng King-hon

**February and March 2011:** Tsang asks his permanent secretary to suggest Ho for an honour under the city's awards and honours system.

**March 24:** Commercial and Economic Development Bureau informs DBC it does not forfeit its HK\$2 million performance bonds as a result of it surrendering its analogue licence

**May 23:** Tsang approves Ho's nomination for a medal of honour, but doesn't reveal his personal link to Ho

**October 29:** Tsang awards Ho medal of honour at a Government House ceremony. While testifying at trial later, Ho claimed they never discussed the Shenzhen property at the event

## **2012**

**January 18:** Ho and Mrs Tsang visit the Shenzhen property with a feng shui master, their 14th and final meeting

**January 21:** Executive Council approves a decision in favour of DBC, allowing former Executive Council member Arthur Li Kwok-cheung to exercise control over the company

**February 20:** Media reports reveal Tsang attended a banquet in Macau, kicking off a flurry of reporting into his alleged collusion with businessmen

**February 21:** The tenancy agreement for the Shenzhen property is signed. The receipt for the 800,000 yuan also has this date

**February 26:** Tsang goes on radio programme *Beautiful Sunday* and reveals for the first time his plans to live in the Shenzhen property

**February 29:** Anti-graft watchdog the Independent Commission Against Corruption launches an investigation into Tsang's actions

**June 30:** Tsang finishes his term as chief executive

## **2015**

**October 5:** Tsang charged with two counts of misconduct in public office, becoming the most senior public official in Hong Kong to be arrested**2016**

**August 8:** DBC announces it will give up its digital broadcasting licence and close down.

**September 9:** DBC officially goes off air.

## **2017**

**January:** Tsang's trial on two charges of misconduct in office and one charge of accepting a bribe begins

**GOOD NIGHT AND GOOD LUCK**

**17/2/2017**

**DONALD TSANG FOUND GUILTY OF MISCONDUCT IN PUBLIC OFFICE**

**COUNT 1 Undecided/ COUNT 2 8/1 Guilty / COUNT 3 9/0 Not Guilty**

**Count one is bribery, counts two and three are misconduct in public office. All carry a maximum imprisonment term of seven years.**

Thank you for your interest. Donald was highly upset leaving the courtroom. I barked at the press hounds to leave him alone.

More on Monday.

Pip, pip!

CCC XXX

**20.00 HELLO HELLO, WE'RE BACK AGAIN**

And who knows? Perhaps verdicts will be forthcoming.

The jury cannot reach a verdict on count one. They have reached verdicts on counts two or three. If they have filled out their forms, they can deliver verdicts two and three.

**18.20 THE JURY IS GIVEN ANSWERS TO THEIR QUESTIONS**

Mostly the answers are based on directions given before. It's a bit of a dialogue of the deaf.

The jury will come back at 8 pm.

They will probably not give verdicts so it's back again tomorrow...

And we thought this was a simple case.

## **16.55 THE JURY HAS MORE TO SAY TO THE JUDGE**

**Amidst some excitement, the court is reconvened.** A further question has been submitted to the judge. The jury cannot reach a verdict on count one and want directions. If they believe that the advantage was not received in relation to the licensing applications, what should they do? They also want definitions of a conflict of interest and corruption. Wow, they sound really lost. There are no statutory definitions of bribery or corruption. We will be confined to the charges, which are defined by the Prevention of Bribery Ordinance and the common law offence of Misconduct in Public Office. A pause now as the prosecution considers the phrase "on account of" in the PBO.

All in all so far the jury gives the impression of not having paid a blind bit of notice to the judge and prosecutor for several weeks. Isn't it time we had English and IQ tests for juries?

Oh, and ethics screening too. Hong Kong juries seem to have no difficulty with murder or drugs charges. But corruption? What's that? Bribery? What's that? Those questions say a lot about this jury and probably also the populace at large.

## **15.00 NO VERDICTS HAVE YET BEEN GIVEN**

## **13.20 THE VERDICTS ARE EXPECTED THIS AFTERNOON**

## **11.48 NO VERDICTS**

## **9.49 AM THE JURY HAS BEEN SENT OUT AGAIN**

## **LIVE FROM THE HIGH COURT HONG KONG: THE VERDICTS IN THE DONALD TSANG CORRUPTION TRIAL ARE DUE TODAY AND THE CYCLING COURT CORRESPONDENT HAS BROUGHT HIS SANDWICHES**

Donald looks as if he has suffered enough. He will have certainly paid enough. And yesterday my inkling that the jury were not composed of the

brightest may have been demonstrated by their questions to the judge. No, bribery doesn't need a reward or a service. How many times?? No, if you misconduct yourself wilfully you can't have a reasonable excuse. Now get back in your room and don't come out again until you either give Donald a joyous weekend or send him to Lai Chi Kok for the cough and part of the buttocks. I mean.

LIVE

The judge is reminding them that wilful misconduct cannot easily have excuse or justification. Was the proposal of Barry Ho really based on his work for the Federation of Youth Groups?

The prosecution accepts that they have to prove that Donald accepted the advantage because he was going to consider Wave Media's three applications.

The jury is sent out again at 9.49.

More details of the temptation at the heart of the case:

### **A closer look at the Shenzhen penthouse in the trial of former Hong Kong leader Donald Tsang (SCMP)\_**

The intended retirement home of former Hong Kong chief Donald Tsang sits in a posh western corner of Shenzhen – in a Futian neighbourhood known for its close proximity to reputed schools, a major highway and the central business district.

The 6,700 sq ft property is a luxurious three-storey penthouse, Tsang's trial offered a glimpse into what could have been the setting for a comfortable life with his wife after a career in the civil service.

Futian is a relatively new neighbourhood compared with Lo Wu, the first developed zone in Shenzhen. David Hong, head of research at consultancy China Real Estate Information, said: "The planning [of the district] is slightly better and more practical."

The penthouse – which Tsang said he planned to live in for two years after stepping down as chief executive – is in Junhao Building under phase one of the East Pacific Garden estate.

The apartment perks include a 365 sq ft storeroom and a 375 sq ft walk-in closet – twice the size of some of the smallest flats which developers in Hong Kong have been building.

The features were converted from two guest rooms by renowned Hong Kong interior designer Barrie Ho Chow-lai, a change prosecutors claimed was “tailor-made” to store souvenirs Tsang had obtained over his 45-year career.

The master bedroom spans more than 600 sq ft, with a bathroom that was to feature a hi-tech toilet bowl.

There is also a tea room, gym, landscape garden, wine cellar, greenhouse, and library fitted with a calligraphy room.

Tsang claimed he had paid developer Shenzhen East Pacific Group – of which businessman Bill Wong Cho-bau was a shareholder – an annual rental payment of 800,000 yuan (HK\$903,000) for the property. His failure to declare his ties with Wong landed him in court. Months before he stepped down, he abandoned his plans to live in the penthouse after it came under media scrutiny.

Most of the units in the building take up one floor, measuring more than 3,000 sq ft, the *Post* found.

Flats half the size of the one Tsang intended to occupy generally have monthly rents ranging from 300,000 yuan (HK\$339,000) to 400,000 (HK\$453,000) yuan.

Andy Lee Yiu-chi, Centaline Property Agency’s Shenzhen branch head, said the residence was also near Shennan Road, one of the major arteries of the special economic zone.

“There are some reputed schools nearby,” he said, adding that it was only a short drive away from the business district.



But when asked if it was a good place for retirees to live, he said: “This is a rather bustling neighbourhood.”

## **AN ANGEL, OTHERWISE**

**19/2/2017**

### **LIVE REPORTING OF THE DONALD TSANG MITIGATION HEARING WITH THE CYCLING COURT CORRESPONDENT**

I think we now have the title of this literary reportage of the Donald Tsang corruption trial, a companion volume to my earlier *THE HUI BOYS*, an account of the trial of Rafael Hui, Thomas Kwok and associated bagmen and collaborators. That was as long as *GREAT EXPECTATIONS*. This is shorter.

The verdicts of course were as weird, self-contradictory, illogical, uninformed and daft as the verdicts for Thomas Kwok. You have to wonder about the mentality of people who enquire about the definition of bribery and corruption after a whole month of careful tutelage about the same. It is one might think a natural human instinct to smell dirt, crime, corruption. One oughtn't to need any special clues or definitions. In fact, the jury wasn't called on to define such vague and general and heady concepts. They merely had to decide on a few facts and a few extremely clear legal definitions. Believe me, when the admirably clear Andrew Chan J spells it out, it ought to be clear to the most tragically benighted. Obviously it wasn't.

For most of his life, Donald Tsang did not take any by-way ending in Stanley Prison. There must have been many temptations. But somehow we can assume that Donald was relatively unpolluted by the love of luxury, the back-hander, the shady advantage, the ride in the jet, the luxury suite, the yacht frolic. But all that changed it seems when retirement loomed, that hideous distress for Hong Kong people, because insulated grandees like Donald have never taken old people or social welfare seriously. Donald took the last exit available to him to arrive at Stanley Prison.

And what will be the sentence? For me he has suffered enough. He is a silly little man more than a villain. But the law sees things differently. His was a horrible betrayal of public trust. The starting point must be six and

the final figure five years at least. The public would feel cheated otherwise. That's the last exit to Stanley for you.

LIVE

More people here than usual. Including a large number of civil service reptiles worthies, no doubt, attesting to Donald's probity. One member of the public in the gallery has just offered to take Donald's place in prison, just as Donald sauntered past. Now there's loyalty for you. We are all wondering who will turn up - the archbishop, Mr Tung, Donald Trump. Anything can happen.

David Perry is saying that the **the prosecution will proceed with a retrial on count one** (the bribery count which could not be agreed upon by the jury). This is the normal practice and is in the interests of justice given the seriousness of the charge. The prosecution will nor bring any antecedentst as so much has been given at the trial.

No process of rehabilitation can take place, says the defence, if another trial is hanging over the defendant. An outpouring of letters in support. David Perry would not be available to commence next week. After 12th May he might be available. The defence team cannot appear until November.

Now to mitigation - two volumes of letters. Given the facts of the count one verdict, no corrupt motive. It was completely out of character. The decisions affected by non-disclosure did not lead to wrong decision. In the leading cases of misconduct, motive and impact on decision making are relevant. Now to the most relevant cases:

Rafael Hui - convicted of two forms of misconduct, corruption and non-disclosure. Corruption had a starting point of six years. Conflicts of interest: 18 months is appropriate.

At the Court of Appeal a case of four counts of misconduct, university funds, impact on official decision making. Custodial sentence of three years. Suspension does not require exceptional circumstances. Impact of offence v. personal mitigation is relevant. In a corrupt tendering case for example, suspended sentence was given. Seven months' imprisonment

suspended for 18 months. In a fireman's case, immediate release from custody.

12-18 months should be the starting point, says the defence. This is a conventional sentencing of a man of exceptional good character. The impact of the sentence, not felt selfishly. Donald recognises the torment he has caused his family and the harm done to Hong Kong.

Now to the first file of fifteen letters - medical condition, Donald is 72, he is receiving treatment for a number of conditions. His physical decline has been marked during the trial, he has trouble breathing, his health is poor.

Donald has also rendered great service in supporting the rule of law. He has encouraged trust in the government. This took great physical toll in the form of stress. He played a pivotal role in securing the package of constitutional reforms, says a former Secretary for Justice, Wong Yan-lung.

Controlling avian flu, the strategic committee on youth addiction, etc., Donald is an exceptional man. Also from his family, signed by his second brother, humble origins, not able to go to university, generous spirit, putting other first, friends he has made throughout the community. Impact on the family the past five years, concern because others were affected.

John Tsang also offers support, highlights Donald's commitment to Hong Kong citizens.

Parish priest mentions his religious devotion.

Then Carrie Lam: untiring efforts, skillful management of public finances. Committed to public service.

And so on and so forth.

Albert Ho also writes, together with Democratic colleagues. they recognise his utmost efforts, their respect. Significant achievements.

Anson Chan talks of his humble beginnings, commitment and his unique occupation of three posts. Ruin of reputation and a five-year ordeal is punishment enough.

And Henry Tang: Donald is the only one to pass a constitutional reform package. A kind leader willing to listen to a range of views.

Raymond Tam pays tribute. Donald is non-pretentious.

Martin Lee speaks of his hard work over decades, caring father devout Catholic. A fall from grace. Tragic.

Stephen Lam emphasises Donald placing Hong Kong above his own interests. Etc. Etc. Norman Chan.

Then as predicted the civil service permanent secretaries. And praise from Michael Suen and Tsang Tak-sing. Surely they count as home goals? Also letters from junior civil servants: and former ones like Legco's Gary Chan. Agony and humiliation experienced says an MTR chief.

Very few people have served Hong Kong selflessly and so long. A range of accomplishments. Outstanding success. Risked his own career. Highest awards by both colonial and Mainland governments.

It is hard to take much more of this. We do get the picture.

Now to the impact of the conviction and any sentence which may be passed. With great power comes great responsibility. His reputation has been ruined and his legacy shattered, damage to his fellow public servants and to his family. Constant media attention, no privacy, no peace in retirement, decline in physical and mental health. Plea for suspended sentence. we must strike a balance to deal with crime and mitigate harsh effects of a sentence by acknowledging personal circumstances. Room for compassion. Justice and mercy reflected in a suspended sentence.

The judge is more concerned with when the trial can be resumed. The sentence will not be suspended and bail will not be granted. There are no different sets of rules for the rich and for the poor. says the judge.

Sentence is adjourned until Wednesday. He is remanded in jail custody.

Things look rather grim for Donald.

## **DONALD FALLS ILL WITH BREATHING PROBLEMS**

**21/2/2017**

Donald Tsang was sent to hospital about three hours after he reached the Lai Chi Kok Reception Centre, where he was supposed to stay until his sentencing.

The prison van carrying Tsang arrived at the center at about 6pm, and he was the first to step out of the vehicle, walking into the facility.

Handcuffed and without his trademark bow tie, he was escorted inside the building by several correctional services officers.

But about three hours later at 9pm, Tsang was transported to Queen Elizabeth Hospital after he reported feeling ill, apparently suffering from respiratory problems.

He was seen in a blue jacket, wearing a surgical mask and wrapped in a blanket on a stretcher in the ambulance. He was also chained at his waist.

A government spokesman confirmed an ambulance was called to the Lai Chi Kok Reception Centre at 8.47pm last night with the patient delivered to Queen Elizabeth Hospital in Yau Ma Tei.

It is understood Tsang was to spend his time housed in the hospital section of the Lai Chi Kok holding facility until he is sentenced.

It would have been a single ward if Tsang had requested protection while being remanded in custody.

But no exception was made for him when it came to the X-ray scan that all newcomers have to undergo - a measure to prevent the entry of banned items into the lockup, such as drugs.

Tsang was to supposed have chicken wings, vegetables, rice, orange and tea as his first dinner in prison last night, the same as all other inmates. Late-night snacks would be milk and bread.

**HK SUB- STANDARD**

Donald Tsang was convicted of misconduct in the performance of a public officer, and the judge sentenced him to custody immediately until Wednesday. Tsang was then escorted to the Lai Chi Kok Reception Center. It is learned that at 9 o'clock in the evening, after 3 hours of detention, Mr Tsang reported that he was ill, and he was asked to meet the hospital doctor. He was referred to the public hospital after initial treatment. Mr Tsang was wearing a blue jacket, wearing a mask and covering the face, and the worn prison was escorted by the correctionalist and sent to the Queen Elizabeth Hospital (QE) by ambulance. At 9:40 pm, Donald Tsang, who was in bed, was escorted by at least six correctional officers and three members of the Police Constituency. He was transferred to the detention ward and was expected to be admitted to the hospital. A spokesman for the Correctional Services Department (CSD) said that the department would not disclose information on individual prisoners in order to protect private individuals. The spokesman added that the Department of Health (DH) provided 24-hour basic medical services to officers and nurses with nursing qualifications. If necessary, the resident will refer the prisoners to the public hospital for further treatment. Donald Tsang's admission schedule: 3:30 pm Donald Tsang left the prisoners into the cell 5:40 pm had to go down the pot to sit on the van, the van left the high court 6:04 pm After arriving at the Lai Chi Kok Reception Center, the Cubs were handcuffed by hand and escorted by the correctional officer into the detention center 9:25 pm was due to physical discomfort, referral in the hospital doctor, called the white car to the Queen Elizabeth Hospital 9:40 pm After a preliminary examination in the Accident and Emergency Department, transfer to the ward for medical treatment.

**AUTO-TRANSLATED FROM APPLE DAILY**

## **COMING OUT IN SYMPATHY**

**22/2/2017**

### **THE DONALD TSANG SENTENCING HEARING WITH OUR SPECIAL CORRESPONDENT**

#### **DONALD TSANG IN COURT AND SENTENCED TO A RATHER LENIENT TWENTY MONTHS' IMPRISONMENT BUT A NEW TRIAL AWAITS HIM IN SEPTEMBER WHICH MAY GIVE HIM ANOTHER FIVE YEARS**

Mixing with the great unwashed for the first time in fifty years is a shock to the system and must depress any respiratory tract. This morning, I have come out in sympathy and am nursing a cold just down the road from Stanley Prison, Donald's ultimate new address, where the salary is not 371K a month, the pension not 80K and where individual accommodation is merely 80.7 square feet. But Raffy will be there and there will be so much to talk about. Will Donald rise from his sick bed and appear for his sentence this morning or will we both be conspicuous by our absence? And what will be the sentence? Three years seems the soundest bet but I am inclined to suspect more. Of course, it is also not the end of it all. There will in all likelihood be another trial, to test again the hypothesis that Donald was on the take in his approaching old age. It's not a nice characteristic to take with you to the grave. What a useless and pointless place the High Court is at times, dispensing punishment for useless, pointless actions: ruined lives, ruined careers, wasted time, relatives in tears with a shopping list for cheap toiletries.

**The story continues. We pointed out early on in the trial that Donald looked awfully lonely in the dock in what was clearly a conspiracy. But conspiracies are notoriously difficult to prove and there is a danger that everyone will walk free at the end, their evidence contradictory and confusing to everyone's advantage but the prosecution. But let's see where this leads. It obviously has legs.**



## **DONALD'S MISSING CONSPIRATORS**

**24/2/2017**

An application for a judicial review was filed in the High Court on Thursday against the authorities' decision not to prosecute other people allegedly involved in the case of former Chief Executive Donald Tsang.

Tsang was jailed for 20 months on Wednesday for concealing a property deal with businessman Bill Wong from the Executive Council, while he was in office.

The judicial review application was filed by retired civil servant Kwok Cheuk-kin against the Independent Commission Against Corruption and the Department of Justice.

He is widely known as the 'king of judicial review' as he regularly challenges government decisions and actions in courts.

In his latest application, Kwok is asking that prosecutors lay charges against Wong for allegedly providing the benefits to Tsang. He also wants the Chairman of the Bank of East Asia David Li to be prosecuted for allegedly giving a bribe.

During Tsang's trial, the court was told that Li cashed a cheque for HK\$350,000 in 2010 and about half an hour later, Tsang's wife deposited the same amount at the same branch. The prosecution also said that Li paid for part of Tsang's rent for his penthouse in Shenzhen.

Tsang is expected to face a retrial in September over a bribery charge, after the jury failed to reach a majority verdict on it last week. (RTHK)

## **HOWDY NEIGHBOUR !**

**24/2/2017**

As Donald moves to within a short walk of us in Stanley Prison today, some non-nonsense words for him to think about from a moral Holy Father of us all, Pope Francis:

**Associated Press in Vatican City  
Thursday 23 February 2017**

Pope Francis has delivered another criticism of some members of his own church, suggesting it was better to be an atheist than one of many Catholics who he said lead a hypocritical double life.

In improvised comments in the sermon of his private morning mass in his residence, he said: “It is a scandal to say one thing and do another. That is a double life.

“There are those who say, ‘I am very Catholic, I always go to mass, I belong to this and that association’,” the head of the 1.2 billion-member Roman Catholic church said, according to a Vatican Radio transcript.

He said some of these people should also say “‘my life is not Christian, I don’t pay my employees proper salaries, I exploit people, I do dirty business, I launder money, [I lead] a double life’.”

“There are many Catholics who are like this and they cause scandal,” he said. “How many times have we all heard people say ‘if that person is a Catholic, it is better to be an atheist’.”

Since his election in 2013, Francis has often told Catholics, both priests and lay people, to practise what their religion preaches.

## **AND NO MATCHING BROWN BOW TIE**

**2/3/2017**

And here for completeness' sake there should be the last photo in what is almost now a tradition amongst grandees in Hong Kong.

The first photo is the shock or contrition when the charges are laid.

Then the Magistrates' Court, with attendant media scrum, a rehearsal for the daily arrivals at the High Court.

Then there is the photo of them in the prison van, the first photo of them in chains and finally this photo, in the exercise yard at Stanley Prison.

It's practically a life cycle. A symphony of degradation. Poor Donald.

Pip, pip!

