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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE PETER M. HALL QC  
CHIEF COMMISSIONER

PUBLIC HEARING

OPERATION TOLOSA

Reference: Operation E17/1221

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON MONDAY 23 MAY, 2022

AT 2.00PM

Any person who publishes any part of this transcript in any way and to any person contrary to a Commission direction against publication commits an offence against section 112(2) of the Independent Commission Against Corruption Act 1988.

This transcript has been prepared in accordance with conventions used in the Supreme Court.

THE COMMISSIONER: Mr Bruzzano, do you take an oath or an affirmation to give evidence?

MR BRUZZANO: Oath.

THE COMMISSIONER: We'll have the oath administered.

THE COMMISSIONER: Thank you, Mr Bruzzano.

MR DARAMS: Can I ask that Mr Bruzzano be shown volume 5D, page 23? Mr Bruzzano, this company, Mauve Sky Pty Ltd, is a company that you took steps to have registered, is that correct?---Correct.

10 Did you do that on the instructions of Mr Joseph Jacob?---Yes.

Was it only on Mr Joseph Jacob's instructions or did someone else instruct you to form or register this company?---Oh, oh, it was Joseph Jacob. However Chidiac, I believe, was aware of it.

When you say Chidiac you believe was aware of it, you mean Mr Joseph Chidiac?---Mr Joseph Chidiac, yes.

20 Why do you say that you believe that he was aware of it?---Because the purpose of this company was to acquire an option for a proposed development site.

Whose development site did you understand it to be?---Both Joseph Chidiac and the Jacob brothers.

Is this based on conversations you had with Mr Joseph Jacob or his brother? ---Yes.

30 Did those conversations or discussions also include Mr Joseph Chidiac? ---Yes.

So what is it, you have discussions with them, they come to you and say that there's a development site that they've identified that they want to, or are looking at purchasing, and then, what, they tell you how they want to do it or so you have a discussion with them and suggest how they do that or how they set it up?---Oh, this, this one here, what I recall is Joseph Chidiac, I believe, identified the site and he wanted the assistance of Joseph Jacob. And so together they were to develop it.

40 When you say Mr Chidiac wanted the assistance, is that because you had some conversation with Mr Chidiac where he tells you this or is this based

on something else or some other information you've heard?---I can't quite recall.

Well, can I ask you this, are you explaining the process based upon some evidence you might have heard recently in these proceedings?---Based upon evidence I gave earlier on and, and viewing documents later.

10 So if I could just ask you to have a look at, be shown page 25? I draw your attention to the bottom of the page, if we could scroll up a bit, please? If you just – no, sorry, scroll up. Do you see down the bottom, it says “share\interest holding” under that, it's got “cease former” do you see that? ---Cease former?

Yeah.---Yes.

So under there, there's a reference to what you should understand to be ordinary shares of the company and number held, do you see that, “one”? ---Yes, I see that.

20 Can I ask that you be shown the next page? And then scroll down. Then you see the words “beneficially owned, fully paid, yes”. Do you understand, Mr Bruzzano, that what that information is showing on the ASIC report is that there's one ordinary share in Mauve Sky Pty Ltd. Do you understand that?---Yes.

It shows that at a previous time, you were the person who was identified as the legal owner of that share?---No, it shows that Frank Bruzzano is not the beneficial owner of that one share.

30 That's right. I was going to come and make a distinction.---Mmm.

The share was in your name. The records identify you as being the holder of a share. Correct?---Yes.

But you've identified the reference to “beneficially owned” and it says “no”?---Correct.

Who did you hold the share on behalf of?---Prolet.

40 Prolet. Is that Prolet Constructions?---Prolet Constructions.

Could the witness be shown volume 69, sorry, page 69 of volume 5D?  
That's your signature above your name on the page?---Correct.

Did you prepare this document or was it prepared by someone and given to you?---I did not prepare that.

Who prepared it?---I believe it was Greg Vale.

10 When you say you believe it was Greg Vale, is that because he was the person who provided it to you or is he the person you gave instructions to, to prepare the document?---No, I don't think I gave instructions. It just looks like something that Greg Vale, it looks like a Greg Vale document to me.

When you "it looks like a Greg Vale document" to you, is Greg Vale your solicitor or has he acted for you in the past?---No, we, he's a tax solicitor so, from time to time, my office engages him over various matters.

20 That was my question, that do you or your, is it your accounting practice engage him to do legal work on your behalf, is it?---Well, to do with setting up trusts and things like that.

Well, then can you assist us as to how this resolution came about?---I imagine Joseph Jacob instructed Greg Vale.

Do you know that, that that's what happened?---I don't have a total recall of those events. It was some time ago.

30 What about your partial recollection? Is your partial recollection consistent with Mr Joseph Jacob giving instructions to Mr Vale to prepare the resolution in these terms?---I just can't see it was anybody else, so I'm, I'm, I'll have to make a, an assumption that it was Joseph Jacob.

Do I understand you to mean that you don't know that it was Mr Joseph Jacob who gave these instructions. That's right?---Correct.

But you don't believe that it would have been anyone other than Mr Joseph Jacob?---Correct.

40 In terms of the matters set out in there, and won't say the matters set out in there, but the information contained in the resolution, if you need to, please

have a look at it but that accorded with your understanding of what was happening in relation to this transaction. Is that right?---Correct.

So Mauve Sky, the company that you were the director of, was borrowing money from Mr Joseph Chidiac?---Correct.

We see that in the loan of the option fee resolution. Is that right?---Yes.

10 So the money for the option fee was loaned from, or borrowed from, Mr Joseph Chidiac. That money was then provided to the company AC Industry in order that it could then pay the option fee to the vendors of the property. Is that right?---No. I think AC Industry Pty Ltd actually signed the option agreement on behalf of Mauve Sky, the way I read this.

20 But in terms of the flow of the money, so to speak, for the option fee, the agreement was that Mr Joseph Chidiac would lend the money to Mauve Sky, but then if you see under the second paragraph under the loan of option fee, you made a further resolution to direct Mr Joseph Chidiac to pay the money, the \$100,000 option fee, to AC Industry so that AC Industry could then pay the money?---Oh, correct.

That's the flow of the process, correct?---Correct.

Were you familiar with the company, AC Industry, or the principals or persons behind that company?---No.

Did you meet them in this transaction at all?---No.

30 Do you know who they are now?---No.

Could I ask that the witness be shown page 68? Have you seen this document before?---Yes.

Do you understand this document to be or what it's setting up?---Yes.

Because at the time you were obviously the sole director of Mauve Sky, that's right?---Correct.

40 Is this what you were referring to about the role of AC Industry in the transaction?---Correct.

So AC Industry was being appointed as a nominee of Mauve Sky to enter into the transaction?---Correct.

When I say enter into the transaction, enter into the option agreement and, what, possibly enter into the sale agreement if the option was exercised? Is that how you understood it to be?---Correct.

10 In terms of the involvement of AC Industry in the transaction, is that something that Mr Jacob informed you or told you would occur?---I, I don't recall.

Can you tell us what your understanding as to the reasons why AC Industry was involved in the transaction?---No, I wasn't part of it.

Even though AC Industry was being appointed as the nominee on behalf of Mauve Sky, the company that you were sole director of?---Correct.

20 Can I just understand this, were you in effect, when I say you I mean Frank Bruzzano individually, were you involving yourself in this transaction at the request of Mr Joseph Jacob?---Correct.

Were you doing that to, because in effect he was a good friend of yours at this stage and he was asking you to involved yourself in this transaction? ---No. Can I - - -

30 Yeah. Why were you involving yourself in the transaction then?---The way I understood it, they – when I say “they”, I mean Joseph Chidiac and Joseph Jacob – had identified this property as a potential development site to make a profit, but they wanted to disguise themselves and so they spoke with Greg Vale and Greg Vale produced the documents.

Did you have a discussion – so, they wanted to disguise themselves? ---Correct.

The method that they came up with, or Mr Vale came up with – do you know who came up with this method?---I don't recall.

40 The method they came up with was to have an interposed entity between themselves of which you would be the director or the sole director of, is that right?---Correct, yeah.

So in terms of you involving yourself in this transaction where I take it the participation of both Mr Joseph Jacob and Mr Joseph Chidiac were being disguised, why did you do that?---Sorry. I don't understand the question.

Why did you involve yourself in the transaction? Is that because of your relationship with Mr Joseph Jacob or your relationship with Mr Joseph Chidiac?---No. my relationship with Mr Joseph Jacob.

10 THE COMMISSIONER: Sorry, why did you agree to Mr Jacobs' request?  
---Well, he's a good client of mine and a friend of mine, and I simply agreed to provide this service.

And why was it that they didn't want themselves to be known?---Oh, not sure of the exact details but they, they did want to disguise themselves from this transaction in the early days at least.

20 Wasn't that explained to you so that you could be satisfied this was okay for you to go ahead?---Oh, look, I, I don't know exactly. It had something to do with their community. They just didn't want people to know. I, I wasn't totally familiar with it insofar that I, I trusted Jacob brothers very much and I was happy to do it for them, and as long as Greg Vale did the paperwork for me.

MR DARAMS: Just so I can understand the evidence, you understood that Mr Chidiac and Mr Joseph Jacob were seeking to disguise their involvement in the transaction, at least in the early stages?---Yes.

30 You didn't have a discussion with Mr Joseph Jacob or Mr Joseph Chidiac about why they wanted their involvement disguised?---Oh, I, I would have. It's just that it's such a long time ago. Insofar that they did not want to be known at this stage. There was a reason. I'm not clear on the reason.

You can't remember the reason now?---If they had told me, I don't remember the reason entirely.

40 But because of your relationship with Mr Joseph Jacob, you were comfortable, based upon that relationship, that whatever reason for the disguising of their involvement, you were comfortable that you would be able to participate in the manner that you did, is that right?---Correct. And as long as it was done appropriately with the solicitor.

Documented with a lawyer being involved?---Correct, yes.

Can I just ask that you be shown page 2 of volume 5D? You took steps to cause Mauve Sky to open a bank account, is that right?---I believe so.

This is a statement of the bank account for Mauve Sky for the period of time October 2015 to December 2015. Now, Mauve Sky has been deregistered now, hasn't it?---Correct, yes.

10 In relation to the entry on 30 October, the deposit of \$97,000, that was a cheque. Do you remember that?---Yes.

What was the \$97,000 cheque in relation to, can you recall?---I recall from documents that I reviewed that it was a refund of their deposit moneys, a series of refunds.

A series of refunds. So this is the case, isn't it, the transaction was ultimately rescinded between Mauve Sky and the, or AC Industry and the vendors?---I believe it was, yes.

20

The option fee was returned, that's right?---Correct.

The option fee was in a cheque made out to Mauve Sky Pty Ltd, which you endorsed over to Mr Joseph Chidiac?---I do remember endorsing one cheque to Mr Chidiac, yes.

Just could the witness be shown page 22? Just zoom in on the bank cheque there. Scroll down. See that cheque, bank cheque in the sum of \$100,000 on 28 October, 2015, made payable to Mauve Sky Pty Ltd?---Yes, I see that.

30

Just below that, which I suggest to you is the back of the bank cheque, that's your handwriting, isn't it?---Yes, it is.

So this is the endorsement over of the cheque to Mr Joseph Chidiac?---Yes.

His company being Online Security Services Pty Ltd?---Correct.

That's your signature in the left-hand, when I say, to the left of your name? ---Yes, it is.

40

So that's the return of the option fee as you understood it?---Look, I don't know what order, but it's return of whatever moneys they had paid.

But the reason that the \$100,000 is being endorsed over to Mr Joseph Chidiac's company is because you understood that that's where the option fee had originally come from, the loan from Mr Chidiac. Correct?---Well, it's, I take instructions, so whoever instructed me to - - -

But that was your understanding?---Yes.

10

So if we go back to page 2, there's another cheque that has been deposited to another amount deposited of \$97,000 into Mauve Sky's bank account? ---Yes.

From that, a number of payments were made. So 4 November, that's the \$5,500 are your services. Correct?---I, I do recall, yeah, one, one of them's mine, yes.

It says "fee accounting 80709" that's your services?---Yes. Yes.

20

Then the next two transactions, so 4 November "fees legal G. Vale" that's Greg Vale's fees?---Yes.

You made these transactions or you processed these transactions, didn't you? You were the sole signatory of the bank account?---I, I, I would have needed to have processed these, yes.

Then there's the legal fees for Corrs, 9,499?---Yes, I see that.

30

Then there seems to be a withdrawal for \$30,000 for Mr Alex Chidiac. Who did you do that, whose instructions was that made upon?---Joseph Chidiac.

Joseph Chidiac told you to pay 30,000 to Mr Alex Chidiac?---Correct.

Did you ask him why or you just accepted those instructions?---No, I just accepted it, yeah.

40

Then there are some other ASIC fees. What I want to ask you about is the balance in the account of 46,428. Who or where did that money go to?---I'm not sure but I'm assuming Joseph Chidiac.

Why are you assuming Joseph Chidiac?---Well, I'm assuming it's the Chidiacs' moneys.

That's what I'm trying to understand. Why do you make the assumption it's the Chidiacs' money when Mauve Sky company who entered into the transaction on behalf of Prolet - - -?---Because the way I understand it, Joseph Jacob did not put any money in at this time.

10 That understanding is based on instructions given to you by Mr Joseph Jacob. Is that right?---Correct.

There was another cheque for \$40,000. Do you know where that cheque went or what happened to that?---What, what, what cheque?

Not in the bank account but another cheque for \$40,000?---Don't know what cheque you're referring to.

20 Just, finally, I just want to ask you a couple of questions about some text transactions or text correspondence between you and Mr Joseph Jacob. If the witness could be shown volume 6.13, page 13? So, Mr Bruzzano, this is an extract of phone, sorry, text messages between yourself and Mr Joseph Jacob and the way that you would read these messages, so if we take message 35 there, do you see in the last column the word "direction"? It says "incoming".---Yes.

30 So this appears to be a message from you to Mr Joseph Jacob. Just by way of distinction, if we go down to the next message it says "direction outgoing". I suggest to you that's a message from Joseph Jacob back to you, copied into - - -?---Okay.

All right. So just wanting to know whether you can just assist us with the messages. These ones are on 5 September, 2018 where you send this message to Mr Joseph Jacob, "Are we winning?" Do you see the body of the text? See there?---Ah hmm.

40 If we look down to the response, the response appears to be "Fifty-fifty." Again, this is 5 September, 2018. Can I ask you to be shown the next page? Mr Joseph Jacob sends to you a response, "We are." And then the next message down he says "Station upgrade getting somewhere. School?" Next message down he sends another one to you, "School unknown." Now,

just in relation to the start of this message trail, Mr Bruzzano, your message was “Are we winning?” Mr Joseph Jacob had referred to the station upgrade going somewhere in this text exchange. Are you able to assist us as to what you and he were conversing about on this occasion in September 2018 and what your role was in all of this, given you’ve asked, “Are we winning?”---Oh, look, I, I don’t recall. I can only assume he was at a meeting and I was seeing how he was going.

10 My question was though, you’ve used the terminology “Are we winning?” to signify or suggest perhaps some involvement in whatever was being discussed on your part as well?---No, no.

Are you able to assist us then as to how you might, or what you were intending to convey when you used the terms “Are we winning?”---Oh, “we” often gets used when I’m referring to Joseph’s side. I’m, I’m on his side. So I refer to it as “we”, you know?

20 You’re not suggesting you have any involvement at all but you’re just - - -?  
---Correct, yeah.

- - - aligning questions with the interests of your client and friend, I take it?  
---Correct.

THE COMMISSIONER: And about what subject matter were you making reference to?---I just don’t recall it.

Hmm?---I just don’t recall.

30 MR DARAMS: Well, when Mr Joseph Jacob responds, “Station upgrade getting somewhere. School?” you must have understood at that stage that what he was referring to is the proposed development on behalf of Prolet in relation to the land, its related companies owned in Rhodes East, that’s right, isn’t it?---It seems so, yes.

It has to be about that though, doesn’t it?---It seems so.

40 Well, just back to it now, can you recall at this stage what in particular Mr Joseph Jacob was doing at this stage? What, was he in some meeting, was he in some discussion?---Oh, look, I can only assume he was in a meeting and it was an important meeting. So I was checking in.

Then if the witness could be shown page 15. So these are other messages from you on the same day. You say “Keep at it” and then you enquire a little bit later “Still going?” The time of day seems to be late afternoon into the early evening. Does that assist you with your recollection?---Not, not precisely but, but definitely he must have been involved in some major meeting at this stage.

And you don’t have any recollection now as to what that was or could be?  
---Oh, no, no.

10

Could the witness be shown page 17? Draw your attention to the message numbered 48 down the bottom of the page. So this is a message from you to Joseph Jacob on 18 September, 2018. You say, the text or the body of the text is “Any luck, Frank, with short-term funding from the boys? Any amount helpful, buddy.”---So who, who’s this text from and - - -

20

So this is a text message that you send to Mr Joseph Jacob, but the body of it refers to, has this in it, “Any luck, Frank, with short-term funding from the boys? Any amount helpful, buddy.” What I’m going to suggest to you is it looks like you’re passing a message on to Joseph Jacob because someone has sent something to you, i.e. you, “Any luck, Frank, with short-term funding for the boys?” Now, are you able to assist us as to those matters, the first thing being am I right that it appears that someone has sent you a message that you’re forwarding on to Mr Joseph Jacob, am I right about that?---Yes, you’re right.

30

Now, the second thing I wanted to see whether you can assist us about is, is this a message from Joseph Chidiac that you’re forwarding on?---I, I don’t recall.

Well, who do you recall the message from?---I, I don’t.

Where it says “any short-term funding from the boys”, did you understand that to be a reference to funding from the Jacob brothers?---Oh, that’s what it appears to be. Somebody probably was looking for a loan.

40

Well, are you – sorry. That would suggest that someone asking you to ask the Jacob brothers for a loan, wouldn’t that be something that you would remember happening?---Look, when was it?

Who was it? September 2018.---Oh, look, I just don't recall. I mean, do we have a message earlier on?

Do you remember anyone asking you at some stage around this period of time to see whether the Jacob brothers would give a loan to them?---I just, I don't recall it at this moment in time.

No, my question was around this time do you recall anyone seeing whether Jacobs brothers would give them a loan and using or asking you about that?  
10 ---I don't recall.

Could it be Mr Chidiac, Joseph Chidiac?---I don't think so.

Why don't you think so?---He's just never asked for a loan.

He's not asking you for a loan.---No.

Could I ask the witness be shown page 30. Just draw your attention to entry 86. So again this is, appears to be a similar type of message where you're  
20 forwarding on something to Mr Joseph Jacob.---Oh, okay.

“Sorry for late reply. I was chasing up the money. Hopefully next week, Frank. Speak to you tomorrow. Regards, Don.” Do you have any idea what that's about?---Yeah, that's Dr Don.

Is that anything to do with the earlier text message I just took you to?  
---Probably, yes.

Right.---Yeah.  
30

So this person, Dr Don, has borrowed money from the Jacobs, is that right?  
---Amongst other people, yes.

I see. Has this Dr Don, has he got any association with your development at Rhodes? Drummoyne, sorry.---Oh, no.

No.---Not at all. He's a, he's a GP, just if you want to know.

Chief Commissioner, I had no further questions.  
40

THE COMMISSIONER: Yes, very well. Yes. Now, Mr Leggat, you wish leave to cross-examine Mr Bruzzano?

MR LEGGAT: No, thank you, Chief Commissioner.

THE COMMISSIONER: Thank you.

MR LEGGAT: Chief Commissioner, you might recall I cross-examined Mr Bruzzano on the last occasion. I don't have any questions in relation to his recent evidence. Thank you.

THE COMMISSIONER: Thank you, Mr Leggat. Thank you, Mr Bruzzano. You may step down. You're excused.

**THE WITNESS EXCUSED**

**[2.35pm]**

MR DARAMS: Chief Commissioner, the next witness will be Mr Chun Zhou. Mr Zhou is unrepresented.

THE COMMISSIONER: Mr Zhou, to give evidence, you have to take an oath or an affirmation. Do you wish to take an oath or affirmation to give evidence?

MR ZHOU: Affirmation.

THE COMMISSIONER: My associate will administer the affirmation.

30

THE COMMISSIONER: Thank you. Take a seat, Mr Zhou.---Sure.

Mr Zhou, do give us your full name.---My first name Chun, C-h-u-n. Last name Z-h-o-u.

10 Thank you. Mr Zhou, you're not legally represented here. You don't have a lawyer here?---No.

I want to explain to you the provisions of the Independent Commission Against Corruption Act under which we operate. A witness is entitled to object to giving answers to questions or producing documents. The purpose of allowing a witness to object is that by doing so, the effect of the objection is that although you must still answer the questions or produce any documents you're required to produce, the effect of objecting is that the evidence can't in the future be used against you in any other proceedings. So it's a form of protection, if you want to object, you're entitled to object, 20 so that you have that protection, the evidence can't be used against you in any other proceedings, with one exception and that is if a witness giving evidence, for example, tells a lie or commits an offence under the Independent Commission Against Corruption Act, in those circumstances, the evidence could be used but otherwise the evidence can't be. I must emphasise, you are under a duty to answer all questions and answer them truthfully even if I make an order or direction that you take an objection and the evidence can't be used against you, so in other words, you must still give truthful evidence. So with that explanation, I ask you whether you wish to take the objection for the reason I've tried to explain?---No (not 30 transcribable) Commissioner.

Do you understand what I'm saying?---Yeah, I, I understand.

So you're entitled to say "I object" and that offers you the protection. You don't have to but you're entitled to do it. The legislation entitles you to say "I object" if you wish to, otherwise you don't have to.---Yeah, I understand that, yeah.

40 So what would you like to do? Do you wish to take an objection?---Yeah, I wish to take objection, yeah.

I'm sorry?---I wish to - - -

You do?---Yeah, I do. Yeah.

Yes. All right then. Thank you. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness, Mr Zhou, and any documents or things that he might be required to produce are to be regarded as having been given on objection, or produced under objection, and accordingly there is no need for the witness to make  
10 objection to individual answers to be given or documents or other things that he may be required to produce in the course of this public inquiry.

**DIRECTION AS TO OBJECTIONS BY WITNESS: PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS, MR ZHOU, AND ANY DOCUMENTS OR THINGS THAT HE MIGHT BE REQUIRED TO PRODUCE ARE TO BE REGARDED AS HAVING BEEN GIVEN ON OBJECTION, OR  
20 PRODUCED UNDER OBJECTION, AND ACCORDINGLY THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION TO INDIVIDUAL ANSWERS TO BE GIVEN OR DOCUMENTS OR OTHER THINGS THAT HE MAY BE REQUIRED TO PRODUCE IN THE COURSE OF THIS PUBLIC INQUIRY.**

THE COMMISSIONER: Now, Mr Zhou, Counsel Assisting is going to ask you some questions. If you listen to the questions and answer the questions directly and keep your voice up, please.---Sure.  
30

If you move closer to one or other of the microphones so that your answer carries right to the back of the room. Okay?---Yep.

Thank you. Yes, Mr Darams.

MR DARAMS: Mr Zhou, I understand you were previously employed or engaged by I-Prosperity. Is that correct?---Yeah, that's correct.

You're not still employed or engaged by them, are you?---I'm not anymore.  
40

When did you finish with them?

THE COMMISSIONER: What's your occupation now?---Oh, I'm not working right now and - - -

MR DARAMS: You're unemployed at the moment?---Yeah. And previously I think I, it's early 2020.

10 How long had you been employed or engaged by I-Prosperity? So you finished in early 2020. For how long had you been engaged or employed with them?---Eight years.

Eight years?---Yeah.

So from 2012 to 2020?---Yeah.

About that period?---About that time.

20 You provided services or you worked in Australia for I-Prosperity?---I worked for them like in Australia and China.

That was the second question I was going to ask you. You also did work for them in China as well?---Yep.

You're currently a resident or permanently - - -?---Citizen.

Citizen in Australia?---Yep.

30 So did you spend time in China working for I-Prosperity during the period 2012 to 2020 or you just went there from time to time and did work while you were in China?---I just go there time by time.

Do you have professional qualifications or anything of the like, like a university degree?---Oh, not something to do with, nothing to do with what I done, do with IPG.

I'll come and ask what you do with IPG in a moment but do you have tertiary education, a university degree or something like that?---No.

40 You don't, just high school or - - -?---Yeah.

THE COMMISSIONER: So did you have schooling in China?---Year 9.

Hmm?---I finished year 9 in China.

And what level of education do you have? You left school at what age?---I think it's called HSC or Higher School Certificate or something.

MR DARAMS: So I want to ask you what you did for, you use IPG, do you, is that how you refer to them, or I-Prosperity?---Oh, either way I think.

10 IPG, I might refer to IPG, I'm referring to I-Prosperity Group. What did you do for IPG?---Initially I was working for the telecommunications side.

Planet Tel or - - -?---Planet Tel, yeah.

How long were you working for that company for?---Since 2009/2010, I think.

So you worked for a different company before 2012?---Yeah. There was no IPG at that time, it was just Planet Tel.

20

Right. Did you finish with Planet Tel and then start working with IPG or did you work for both companies for a period of time?---I think both of, both company.

We're just focusing on what you did for I-Prosperity. What did you actually do for I-Prosperity?---Oh I, I was a client relationship manager for IPG.

What did you do as client relationship manager?---Just looking after our investors for China.

30

All of your investors in China?---Yeah, yeah.

So can you explain or describe what sort of things you would do for those investors?---It's very similar to like butler job. So basically when they, just to help our investors in China to set up a life in Australia, including trying to find accommodation, the kids schooling and just a lot of everyday stuff.

So were these investors, so they were Chinese nationals, were they?---Yeah, Chinese nationals.

40

They've invested money in I-Prosperity or looking to invest in - - -?---No.

They, they, at that time it's called 188C visa. So that's 5 million Australian dollars to invest into government fund or term deposit or there's a lot of kinds of investment. But basically bring \$5 million into Australia and they get a, it's like a visa.

THE COMMISSIONER: What was the business of I-Prosperity in China as you understood it?---It's, Commissioner, just trying to engage the investors in China to do – it's like a sales office in China.

10 Sorry, like a - - -?---It's like a sales office. So they're just trying to find a – their main job is like contact all the agents in China so they refer all their clients to I-Prosperity. And that's what our China office does.

I see.

MR DARAMS: Was it a part of your role to try and have the investors invest money for IPG? Or was that left to someone else in - - -?---No, that wasn't my job. I wasn't sales, so, yep.

20 THE COMMISSIONER: So what was your job?---I was helping to settle down in Australia.

Sorry?---Settle down in Australia, just like to – because they quite much don't know anything about Australia, so basically they, usually when they come to Australia they bring their whole family here.

I see.---So they have nothing, don't know anything about the life in Australia. So I had to have them to send out to find a place to live, to help them their kids to find a school. And initially it's just like bring, they've got  
30 to stay in a hotel in Australia, but after that because they do need, required them to, the visa required them to stay, I believe it was 160 days within the first two or three years, so I have to help them when they are in Australia.

MR DARAMS: Who would tell you to help these people out? Was it Harry or was it Michael or both of them?---I think both of them.

Both of them.---Yep.

40 At different times they'd say, "Could you help this investor?" or could you help this investor out or that investor out, is that how it works?---Yeah, that's how it works, yeah.

Then after a while you probably developed your own understanding of the things people might need, but Harry or Michael – being Harry Huang or Michael Gu - - -?---Yeah, if, it the clients ask me to, anything to do with the investment, I just pass to our Sales Team.

Right.---Because I don't know much and the, the policy keep on changing. So I'm not a hundred per cent sure what's going on, so normally I just refer them to the, our Sales Team.

10

Now, you came to know Ms Belinda Li, is that right?---Yeah, that's correct.

You understood Ms Li was involved in the development or proposed development at Rhodes West, is that correct?---Yeah, I heard about it, yeah.

Sorry, when you say you heard about it, what do you mean about that?  
---I think I heard it from Michael Gu.

Yes.---Yep.

20

So you knew I-Prosperity had a development that it was planning to undertake in Rhodes West?---Yeah.

You heard that from Michael Gu?---Yeah, yeah, Michael Gu, yeah.

You met Ms Li - - -?-After that.

- - - in that process as well. You knew she was associated or involved in that investment, sorry, that development as well, proposed development?

30

---Yeah, yeah, yeah, that's correct.

That's right. Just I want to ask you some questions about the things that you were asked to do an arrange in China and also in Australia on behalf of Ms Li but also Mr Huang and Mr Gu, particularly in relation to Mr Tsirekas and Mr Chidiac, okay? You know who Mr Tsirekas is, the mayor?---Not that familiar with the surname. Is that - - -

But you've met the person known as the mayor before?---Um - - -

40

Angelo.---I met him after that I think.

Angelo.---Yeah, I met him, I couldn't even remember when I met him, though.

You met them in China?---No, no, in Australia. Initially it was in Australia.

So we might be – so the first time you met them, you met them in Australia?---Yeah, that's correct.

10 But afterwards you also met them in China as well, in Shanghai.---Yes, correct.

So can you remember the first time you met Angelo or the mayor or Mr Tsirekas in Australia, where that was?---I think it's a café shop in Rhodes.

Café. Was Mr Gu there or Mr Huang?---Mr Gu was there.

Before Ms Li was involved or at the same time?---Before she was – oh, I think about the same time.

20 Yeah. Is this at the beginning of the I-Prosperty involvement in Rhodes West, is that your understanding?---I couldn't remember.

Yeah.---It's about that time so I couldn't remember before or after.

Do you recall what Mr Huang or Mr Gu said? Did they introduce you to Mr, well, to Angelo or the mayor?---It's not like introduce. At that time I was there to pick up Michael Gu, so that's how I met Angelo.

30 So you were there to pick up Michael from - - -?---Yeah, so I, basically I, I just say hello, that's it.

I understand that.---Mmm.

So just want to ask you some questions about certain things that look like they were arranged and the like, but just is it the case that you would be asked from time to time by Ms Lee to arrange things in China or Shanghai for Joseph Chidiac and the mayor to do while they were in China, is that right?---Mmm, I remember there was – I do remember two things. Once was, I think it was Harry Huang's wedding in Shanghai.

40

Was this in January 2016?---I couldn't remember the – oh, yeah, that was in January, but I couldn't remember which year. I remember his wedding date was on the 5<sup>th</sup> of January but I couldn't remember which year.

So let's – if I suggest to you it's January 2016, do you - - -?---Around that time.

Right.---I think his kids is four years, so around that time I think.

10 In any event, you remember it was in January, you don't - - -?---Yeah, definitely in January.

Right. So you were saying that's an occasion you remember something, is that right?---Because we had a same day wedding, so, no, it's like, I, my wedding was two years before that, so that's how I remember that.

I understand that.---Yep.

20 You had met them, you'd obviously met Mr Chidiac before this time, is that right?---Yep.

You'd met him in Australia?---Yep.

You'd met him before in China, is that right?---No.

30 So you say the first time you met Mr Chidiac was at Mr Huang's wedding, is that correct? Sorry, the first time you met him in China was at Mr Huang's wedding?---I couldn't remember. I, I, I do remember they went to China I think twice. I don't remember was the other time was before the wedding or after the wedding. I couldn't remember that.

Right. Well, let's – do you remember the first time you met Mr Chidiac in China? Was it the wedding or before the wedding?---Sorry, I couldn't remember that.

What about Mr Tsirekas, the mayor, or Angelo? Was it the first time you met him in China at the wedding?---Sorry, I couldn't remember that.

40 But you met Mr Chidiac, you remember meeting Mr Chidiac and you remember meeting Mr Tsirekas at Harry Huang's wedding.---Yep.

Were they at the actual reception or the dinner afterwards?---I think dinner afterward.

You went to the dinner afterwards?---Yes.

Could I just ask the witness be shown volume 6.7, page 18. Mr Zhou, we understand this is a copy of an exchange on WeChat - - -?---Ah hmm.

10 - - - between you and Ms Li. Just for our benefit and the transcript, if we just look at the box there that has the name, I can't pronounce it and I apologise, but the top name is the owner. That's, you understand that to be Ms Li's WeChat?---Yeah, Belinda Li, yep.

You're the one below, Chun?---Yep.

Now, this is an exchange from 7 December, 2015.---Ah hmm.

20 Just ask you to read this page, please, and then let me know and I'll go through the following pages just so you can see the exchange between yourself and Ms Li. Let me know when you want me to turn the page. You need me to turn the page now? Next page?---Yes, please.

Let me know when you've finished that page. I want to ask you some questions.---Yeah.

30 Now, do you remember this, well, firstly, in relation to Ms Li, the only dealings you had with her, is this right, they were in relation to the proposed development in Rhodes West, the I-Prosperity proposed development in Rhodes West?---As I can see, it's, Belinda asked me to book a restaurant.

Yes.---Aha.

Sorry. What I'm asking you is did you have any involvement with Ms Li other or outside Ms Li's involvement in the Rhodes West development? ---No.

40 So whenever you were having dealings with Ms Li, it was about things to do with Harry and Michael and Rhodes West. Is that right?---Sorry? Can you just repeat that?

Whenever you were having dealings with Ms Li or talking to Ms Li - - -?

---Yeah. Yeah.

- - - it was about things to do with I-Prosperty and Rhodes West. Is that right?---No. It's just, I, I, it's just like they asked me to book a restaurant, that's it, no.

Right. You went ahead and you made that booking. Is that right?---As I can see, I did make the booking.

10 Now, could I ask that the witness be shown page 26? Mr Zhou, this is a WeChat exchange here. On this occasion, it's between a few more people, including, I want to suggest to you, Harry Huang and also Michael Gu. So am I right about that? You recognise those names?---Yeah.

I'll just get you to read the messages for me 'cause there's a couple of questions I want to ask you.---Yeah.

Do you want to see the next page?---Yes. Next page, please.

20 Now - - ?---Yeah.

So I just want to stop on this page.---Yeah. Sure.

Now, sorry. Go to the next page.---Yeah. Yeah.

Now, just, before we go to the next page, I want to ask you some questions on this page.---Yeah.

30 So one of the messages that you sent in English on 12 December, you say, "Who pay?"---Yeah.

Now, you understood that this was an exchange between the group members, but essentially from Ms Li, saying that she had been out or you understood she'd been out that evening with at least Mr Tsirekas, Angelo, and he had indicated that he wanted to go to the Chinese wedding?---Aha.

That's right? You understood all that?---Aha.

40 So then there's a discussion about inviting Angelo to the wedding. You say, "Who pay?" Do you see that there?---Mmm.

Can I ask you why that was a question you asked? Why were you interested in who was paying for the wedding or attending the wedding?---Because at that time, Harry Huang did invite a lot, a lot of investors. So he does getting the free accommodation, all that, from the wedding site. So, basically, at that time, I ask, “Who pay?” that means, like, Harry Huang’s going to pay for, for the ticket or Angelo’s going to pay for the ticket?

So just in relation to that, you knew at that stage that a number of investors in IPG were already invited to Mr Huang’s wedding?---Yeah, that’s correct.

10

Was it the case that Mr Huang was arranging for the payment of their expenses and travel to the wedding?---Yeah, because at that time, I know some of the investors was paying by Mr Huang to, for the – because they everywhere in China, they were living in Shanghai, so some of the investors are, we can say like friends as well. So Harry Huang was the one paying for it.

For their travel expenses to come to the wedding?---Travel expenses, yeah. So that’s why I asked Belinda, who is paying for, yeah.

20

Yeah. So you ask Belinda, Belinda Li responds, “He said that they would pay for their air tickets themselves.” Do you see that?---Yep.

Then Belinda says, “Chun, did you take them to somewhere for fun?” See that?---I see. It’s just a wedding thing. Maybe just a party for the wedding or something like that.

So then if I can ask you to go over the page.---Yep.

30

Then there’s a message in about the middle of the page from Ms Li. She says, “He sounded like he relished the fun last time.” Do you see that message?---Ah hmm.

So this is a message being sent in December 2015, so obviously before Mr Huang’s wedding. Then Ms Li says, “Where have you taken him last time?” And then she says, “He is serious about going.” Then she also says, “Told me about the dates.” Do you see that?---Ah hmm.

40

If I can ask you then to go over to the next page. Then you say, “Get him here and let him do a speech and let Harry show off.” So just when you sent that, can you assist us as to why you were saying to let Harry show off?

Was this because - - -?---Can – oh, sorry, excuse me. Can you go back to the previous page because I just to see what I said before.

Right.---Yeah. Okay. Yeah. Next page, please.

So just your message, “Grab him here and let him do a speech and let Harry show off.”---Yep.

10 So were you saying that because of the fact that Angelo was the mayor and that was an important or a special thing to have the mayor at the wedding?  
---It’s just like for Harry, he has a mayor as a friend so can do a speech at the wedding. So - - -

Did you understand that that was, if that was to happen that would be important on relation to the investors being at the wedding?---No, I don’t think would be important.

20 Well, what was the - - -?---Because all, all the, the investor are existing investors. So they already invest.

What was the importance or the relevance of having the mayor at the wedding though from your perspective, what did you understand that to mean?---I think just, it’s just a wedding thing. It’s nothing to do with the business. It’s just for him to show off at the wedding, that’s all, yeah.

Let who show off, Harry show off?---Yeah, Harry, so he has a close friend as like a mayor in Australia.

30 But what did you understand that would mean to the others at the wedding?  
You must have thought this was something important or something - - -?  
---It’s because, the investor, it was just probably four/five very close investors but most of them are Harry Huang’s friends or his relatives. So basically it’s not like a business purpose, it’s just for him to show off to his family, in front of his family or something like that. Just what my understanding.

Yes. I’ll show you the next page. You say, “A mayor coming to the wedding”.---Yep.

40 Is that what you were conveying by this message, that it was important or it might be important for Mr Huang to have a mayor at the wedding that was

somehow a special thing to happen?---It's just, for Harry Huang, it's like he has a mayor as a wedding guest, so, it's, it's, for him it's quite much important, so he has someone very important to the, to the wedding.

You understood that if the mayor came that would be having someone important at Harry's wedding, is that right?---No, just for him to, we can say show off in front of his relatives and friends.

Could the witness be shown volume 1.1, page 205. 205, please, next page.

10 Now, Mr Zhou, do you see the first email above from Mark Zhang to yourself on 14 December, 2015?---Ah hmm.

Now, did you know Mark Zhang at that time?---Yep.

It's sent to your Planet Tel email account. Is that because you were still using that at the time, I take it?---Yep.

That is the time December 2015?---Yep.

20 Are you the person who asked for accommodation to be booked on behalf of, or booked for Mr Tsirekas and Mr Chidiac for - - -?---I don't remember that. I, I do know Mark, Mark Zhang is the, one of our staff in China. He is usually the one looking after all kinds, bookings or for booking like air tickets or hotel accommodations, all that.

So Mr Zhang books accommodation and books airline tickets, is that right? ---Yes, that's correct.

30 Did you understand that Mr Zhang had arranged or booked the hotel for Mr Chidiac and Mr Tsirekas for Mr Huang's wedding, is that right?---I think what Mark means is at that time the wedding has, if my memory was correct, he does get 10 free rooms from the wedding hotel. So - - -

Who gets 10 free rooms?---Harry Huang.

So Mr Huang got a free, got 10 free hotel rooms?---Yep.

Is that because the wedding was in the hotel?---Yep.

Okay. So these rooms were - - -?---I think it's the room were organised by Mark Zhang, so he doesn't know who's paying, who's not paying. But he's doing the booking.

Let me understand your evidence. So Mark Zhang was responsible for making the bookings at the hotel for the wedding?---Yep.

You understand that Mr Huang got 10 free hotel rooms for the wedding?  
---Yep. Yep.

10

This correspondence you see at the bottom of the page, did you understand that those rooms or two of the rooms that were being booked for Mr Tsirekas and Mr Chidiac so they could come to the wedding?---Yep.

That's what this shows, is that right, Mr - - -?---Ah hmm, yep.

Then the details of the booking were being provided to you.---Ah hmm.

20 Or was that for you to provide on to Mr Chidiac and Mr Tsirekas, or is it just for your information to let you know that rooms had been booked?  
---Just for my information.

Right. Could I ask that Mr Zhou be shown volume 6.7, page 100? Mr Zhou, this is a further exchange between you and Ms Li from December 2015.---Yep.

30 If I could then just ask you to be shown the next page. If you can just scroll through this page and let me know when you've read what's on there.---Ah  
hmm.

Next page.---Yep.

Okay. Then if we can go to page 104.---Yep.

Now, Mr Zhou, this exchange, is this where you're asking details from Ms Li in order to book the flights or arrange the flights for Mr Tsirekas to Mr Chidiac, is that correct?---Yep.

40 Did you arrange those flights in Australia or did you arrange them in Shanghai?---I couldn't remember. I, I, I do believe I was, I think I was in Shanghai at the time but I can't - - -

Why is it that you were arranging these flights for Ms Tsirekas and Mr Chidiac? Was that a part of your role or you understand that was a part of your role?---Because my job, so I have a very close relationship with the travel agent so I can get special rates for, I can get very good rates for the ticket.

So that's what you did, you arranged the ticket?---Yeah, I booked the ticket.

10 You booked the ticket with your special, based on the relationships you had, you got a special deal?---Yeah, I got a special deal. So - - -

You make the booking, pass on the details and arrange for those other people to pay for that flight, is that what happened here?---Yep.

Do you remember how many times you arranged flights for Mr Tsirekas or Mr Chidiac?---I think once or twice.

20 Once or twice including this or in addition to this one?---Yeah, including this one, including this one.

So another occasion you arranged flights for Mr Chidiac and Mr Tsirekas possibly?---Because after the interview I had last time with ICAC I, I did call my travel agent. So I checked my record, I went through the conversation I, I had with them, I, I found there was only one booking I did that is, that is 100 per cent confirmed but I couldn't remember, there was one, once or twice.

30 Perhaps if I could show you page 112. This is a little bit later on in the day. So is the company, Sdc Travel, is that the company that you arranged the travel through, or does that ring any bells with you, that name?---Yeah, yeah. I do remember that travel agent.

Sorry?---I do remember that travel agent, yeah.

You do. Is that the one who you had the relationship with or one of them who you had a relationship with?---It's one of them, one of them which I had a relationship, yeah.

40 Is that the organisation you arranged the tickets through?---Yep.

Yeah. Then if we go to page 114. We understand this, do we Mr Zhou, that you were asking for confirmation that the ticket that you had arranged had been paid, is that correct?---Yep.

Why were you seeking confirmation of that being paid? Is there a particular reason?---I need to send to the travel agent, so the confirmation of payment.

10 Why do you need to send them a confirmation?---Because I think it's just special rates I'm getting from the travel agent, so, basically, they have to make sure they, they get a payment so they can release the ticket because they are like agent from the, the, the, those, I think for the, I think they bill just like agents, so they, basically, they, to get special rates, they have to send back to the, the aeroplane company or, yeah.

So if we then go to page 117?---Yeah.

See the third message down, "Their air tickets and hotel pickup have all been sorted"?---Mmm.

20 Now, in terms of hotel pickup, did you arrange also for someone to collect Mr Tsirekas and Mr Chidiac from the airport?---No, I don't remember that, but, usually, we sent someone to pick them up, usually we would do that.

So when you say "usually" you mean to say when Mr Tsirekas and Mr Chidiac went to Shanghai?---It's for all the wedding guest, so we send our company car to pick them up.

An I-Prosperity company car?---Yeah. China, China office company

30

China office company car?---Yeah, yeah.

I take it that you don't charge or the people who are picked up by it - - -?  
---No, no.

- - - they don't get, they don't charge them for that pickup?---We don't charge, no.

40 Have you personally picked up Mr Chidiac and Mr Tsirekas or Mr Tsirekas from the airport?---I couldn't remember.

Is that something that you might have done, though, if you were in Shanghai?---Probably, I would if I'm available, so I, probably, I would.

You'd drive the I-Prosperity vehicle - - -?---No, no, I don't have a licence in China, so, so someone else must be driving.

10 So you'd go with them but someone else would pick them up and drive the vehicle. Is that right?---Depends if, if the driver can speak English, so probably I'm not going, going to pick them up but to be easier, so if I'm available, I would go to the airport to pick them up but I couldn't remember.

Could I ask that the witness be shown page 135? I just draw your attention to the bottom of the page. There's a message from Ms Li to you, which says, "Have you sorted out the itinerary for the mayor?" See that at the bottom of the page?---Yeah.

20 So this is a message on 28 December, 2015. You understood that's in relation to or associated with the trip to China for Mr Huang's wedding? ---Yeah.

MS KING: I apologise for interrupting, Mr Darams, but I can't see the email being shown on-screen.

MR DARAMS: Might need to share it.

MS KING: Thank you.

30 MR DARAMS: So you understood this was in relation to the trip to China for Mr Huang's wedding?---Yeah.

Were you also asked to prepare, in effect, an itinerary for sightseeing and things for Mr Tsirekas and Mr Chidiac to do whilst they were in Shanghai in China?---I did reply Belinda which I organised trip to them, for Angelo, but I, I do remember the, Harry's wedding, I was so busy, so I wasn't company with them at all.

40 No, no, but that seems to suggest, that message, and just I'm asking your recollection on this, had you been asked by either Harry or Michael or even Ms Li to organise some sort of itinerary for sightseeing or something for Angelo and Mr Chidiac?---Yeah, I think I'd been asked to by Belinda Li.

To do that, to arrange it?---Yeah.

Then if I can show you the next page, it seems Ms Li says, “Send it to me as soon as possible. Just arranged for some sightseeing around Shanghai.” She says, “Okay.”---Yep.

Could I then ask you to be shown page 138. Just can you help me out with that entry in the middle of the page there?---Ah hmm.

10 Where it says, it looks like “276 yuan per person.” There’s an address for some foot massage place by the looks of it.---Ah hmm.

Is that right?---Ah hmm.

Does that message indicate that you had arranged some sort of foot massage for someone, and that someone being either Mr Chidiac or the mayor? Is that right?---Is this an email or - - -

Sorry?---Um - - -

20

This is between you and Ms Li. These are your messages.---I, I couldn’t remember.

THE COMMISSIONER: You can’t help - - -?---I couldn’t remember. But - - -

We’ll move on.---Mmm, I couldn’t remember but maybe I, I did.

30 MR DARAMS: Can I ask you to be shown page 144. Now, just ask you, there’s a message in the middle of the page where Ms Li says, “Have the rooms for Joseph and Angelo been paid for?” You respond, “I don’t know.” Then you say, “I think they said it was paid in cash.” Then you also say, “Can you ask?” and then you say, “Otherwise we’ll go over and pay.” Is that because you understood that the hotel room on this occasion was to be paid by I-Prosperty?---Because it was Harry’s wedding, it’s either paid by Angelo, or it was a free room, or it could be Mr, the bond.

40 Sorry?---The bond. Because they usually, usually what we do is like, it’s just for the deposit of the room.

So tell me that again. When you say it's usually for - - -?---It's the, the bond for the, the room. You know, usually you have to leave \$100 worth of Australian dollars of room bond in case you taking any mini fridge or the - - -

Just in relation to the hotel room on this trip, do you know whether it was paid by, whether it was one of the free rooms?---It's either the free room or, or they paid in cash, I couldn't remember.

10 And when you say they, or they paid in cash, do you know where the cash would have come from?---I couldn't remember. It's that, as I can see from the communication between me and Belinda, they say they paid in cash.

Could the witness be shown volume 1.2, page 92. So Mr Zhou - - -?---Yep.

Just, sorry, could we show you page 97 first?---Ah hmm.

Now, Mr Zhou, this is a document you sent to Mr Huang on 3 May, 2016. Do you recollect preparing documents like this before?---Yep.

20

Was this an expense reimbursement document, is that right?---Yep, yep.

So the reference at the bottom, "Angelo and Joseph, \$574", was that in relation to visas that you had paid for on their behalf?---Yes.

You were sending it to Mr Huang to be refunded, is that how we understand that's what you were doing?---Yep, ah hmm.

30 If I could ask you to have a look at page 98. Do you know who Kevin Fan is?---Yep.

He was another employee of I-Prosperity?---Yes.

Could I then ask you to – you see there's a reference to "Attachments, July 2016". Do you see that in the attachments to the email?---No, I can't see that?

40 Okay. Well, can we go to the next page? Do you see the description of these events here? It says "Lunch with Angelo, Joseph, Liu, Belinda, Jinan, Harry and Chun".---Ah hmm.

The reference to you there, or the reference to Chun, that's a reference to you, is that right?---Because it's not my expense sheet, I - - -

I understand it's not your expense sheet but it looks like you were at a lunch that Mr Fan seems to have paid for and then sought reimbursement. Is that how we understand this?---Yes.

Do you remember having a lunch?---No, I couldn't remember.

10 You don't.---No.

What about the last description, "Lunch with Jay's friend, Li and Chun"?  
---The last one? "Lunch with, Lunch with Jay's friend, Li and Chun Zhou"?

Yes.---What's, what's - - -

Do you remember that, do you know who - - -?---I know who Jay is.

20 Right.---I don't remember we had lunch. I know Jay is a friend in China, Shanghai.

Just in terms of Mr Fan, is this the case, you understood this, that like you would seek reimbursement for expenses by I-Prosperity, Mr Fan would likely do that as well, is that correct?---Yes. He would do that, that's right.

Yeah. Now, can I ask the witness to be shown – what was Kevin Fan's role with I-Prosperity, can you tell us?---He, he was manager for our Singapore office and Shanghai office.

30 The manager of the office?---Yeah, he is, he was the manager of the - - -

Did you report into him?---No.

No. Could the witness be shown volume 6.11, page 92. So this is 6.11, page 92. Just want to ask, show you some photographs here, Mr Zhou, and if you can tell us whether you recognise the location. I'll show you the next page. Next page. Do you recognise any of those people there, Mr Zhou?---Yep.

40 Do you recognise this location? Mr Zhou?---Mmm, I think it's a, it's a, it's a clubbing place in Shanghai.

Do you know the name of the clubbing place?---Mmm, Linx.

Linx. Is that somewhere where you took Mr Chidiac and Mr Tsirekas from time to time, is that right?---I think they went there once or twice.

You organised to take them there?---I think Harry, Harry organised that because it was his afterparty for the wedding.

10 Do you understand that if Harry organised it, then he would have organised - - -?---Actually, I organised it, so basically Harry asked me to organise the after party.

Did you take care of the costs and the like associated with that, if it was associated with Mr Huang's wedding?---I, I, I don't remember I paid for it or not.

20 But if Harry Huang had asked for you to arrange it, is it likely that you, either you would have paid for it or Harry would have paid for it, and if you'd paid for it you would have got sort of reimbursement?---If I paid for it, I would claim for it.

Get a reimbursement back from I-Prosperity?---Yeah. Yeah. But I don't remember I paid for it.

You just, is it possible that you could have paid for it, though?---If I paid for it, you should find out my expense sheet.

30 Right. Could I just ask you to be shown volume 6.11, page 251. These are text messages between you and Mr Chidiac, Mr Zhou. The blue text is – sorry, the text in the blue box is you and the response from Mr Chidiac is in green.---Ah hmm.

Now, just if we go, first we'll go back to page 249. Now, Mr Zhou, if you can look at the messages. Then if I can ask you to go to the next page. Did you read those messages, Mr Zhou?---The blue one is mine, is it?

40 Correct. You're replying to Mr Chidiac, who's in the green. Do you see that, Mr Zhou?---Yep, yep, yep.

Then if we can go to the next page. Just read that, Mr Zhou, and then I want to show you one more page and ask you some questions.---Yeah.

Next page. Is the reference to Star Light, is that a reference to a karaoke club, is it?---Yeah.

Then you say a little bit down “tomorrow clubbing” so is this the case, Mr Zhou? You were in a text conversation with Mr Chidiac where you were talking with him about arranging hospitality and things to do in Shanghai.  
10 That’s right?---Mmm. Yeah.

Were you doing this because this was a part of your role or employment with IPG, that is, when Mr Chidiac and Mr Tsirekas were in Shanghai, you would have arranged things for them?---I think I just, I think I, I only organised once, which was clubbing in Shanghai.

Yeah. My question was that you’re having a text exchange with Mr Chidiac in November 2017. What I was asking you is you were arranging these things for Mr Chidiac and these 10 other people that he asked you about.  
20 You were doing that because that was a part of your role at IPG. Is that correct?---I couldn’t remember because normally I don’t organise all that. That’s our China staff organise all that.

But, sorry. So you would then go and ask the China staff to make the arrangements, for instance, book the car or something like that. Is that correct?---Yeah, that’s correct.

So you’re relaying the information back to Mr Chidiac to say this has been organised or a car will be there at this time. Is that right?---Yes, that’s,  
30 that’s correct.

Sorry. And then when you say “our local staff” you’re talking about I-Prosperity staff would actually make the actual booking itself. Is that correct?---Actually, at that time, I, I was the one made the booking.

So you organised the two cars for Mr Chidiac and his guests. Correct?  
---Yes.

Were they I-Prosperity cars or were they other cars that you had organised?  
40 ---I couldn’t remember.

Couldn't remember?---Mmm.

But if you had organised and paid for the expenses associated with the car, then you'd get a reimbursement from I-Prosperity?---Yeah, that's correct.

You wouldn't go to Mr Chidiac and his guests and say, right, pay me X amount of dollars or anything like that? It was all done by I-Prosperity?  
---No, I never ask - - -

10 Never ask?---No.

Whenever you arranged something, any costs associated with that, you never asked Mr Chidiac or asked Mr Tsirekas to pay for that, did you?---No, I never ask.

So if I can go to page 254. Then we have this exchange, again in November 2017, particularly Mr Chidiac's response, "Chun, thank you, mate. We had a great time. Thank you for your generosity." Do you see that?---Mmm.

20 That seems to be suggesting that the generosity that you extended, would you agree with this, was you'd paid for some expenses or you picked up some costs on behalf of Mr Chidiac and whoever he was with. Is that right?---At that time, I do remember they paid their own costs because at that time, there was too many people, so there was 10 of them. So, basically, there, there wasn't enough room. So they were hanging around the, the bar area, getting the, the beer themselves for that, as I can remember because I, I do remember, I got so drunk that night. So, basically, after, probably an hour in the, in the, in the clubbing place, I got carried upstairs. That's all. That's what I remember. So they, they were downstairs for a  
30 couple of hours, then they walk back to the hotel because The Langham hotel was only five minutes' walk from the, from the clubbing place.

What was the clubbing place called?---Linx, L-i-n-x.

Right. I see. Now, in relation to Linx, the clubbing place, is that the same location where I showed you the photos before?---Yeah.

Do I understand that at Linx nightclub there would be table service, is that right?---Yeah, yeah.  
40

Like you'd sit at, people would come and serve you drinks at the table?  
---Yeah, yeah.

Did you on occasions pay for the tab at the table, is that right?---Actually, I don't remember I paid for it. If I paid for it, I would, I would claim for.

Yeah. So when I say you would pay for it, you'd pay for the table and you would get a reimbursement back from I-Prosperity?---If, if I paid for it.

10 If you, yes, if you've paid for it, you would seek a reimbursement?---Yep, yep.

The reason you would be seeking the reimbursement from I-Prosperity, is that because you understand that if Mr Tsirekas was in China or Mr Chidiac was in China, then they were there and you were to show them around, that's because you were doing that on behalf of I-Prosperity, is correct?

---But I can see from the, the picture which you showed me before, I can see the people sitting next to the table - - -

20 They're I-Prosperity people, are they?---No, they all my friends.

They're all your friends.---They not, they don't, they don't work for IPG at all.

Right. Well, just going back to circumstances where you would pay for things and get a reimbursement from I-Prosperity, that would be in relation to expenses for Mr Chidiac and Mr Tsirekas, is that right?---I, I do remember at that time I was paying for my friends, not, not, I was just booking the, I was just, I did book a table but you can see from the picture,  
30 all, all those people are, on the table are my friends.

Sorry, my question was slightly different.---Yep.

If you were, for instance, arranging cars to pick up Mr Chidiac or Mr Tsirekas and you paid for that, you would seek a - - -?---No, actually, I'm not paying for that.

That's been organised through I-Prosperity and they're paying for it?---I, I think it's the company car.  
40

So the company car is picking you up, no-one's paying for it other than I-Prosperity, is that correct?---Yeah, you can say that.

Yeah. So each time that they were in China and you arranged for them to be picked up that was the I-Prosperity vehicle picking them up, is that correct?  
---Not every time.

No. But some other vehicle sometimes, is that right?---I think just once for, once or twice. I couldn't remember, like, I think I went to the airport to  
10 pick them up once.

Just bear with me. Could I ask the witness be shown page 275 of volume 6.11? Now, Mr Zhou, these are again some text messages between you and Mr Chidiac but this time it's from November, sorry, January 2019?---Yep.

The second-last message where Mr Chidiac says, "Hi mate. I hear you are in town. If you and the boys are available, let's catch up for some Leb food and hubbly bubble."---Ah hmm.

20 When he said "If you and the boys are available", did you understand that to be Michael Gu or Harry Huang?---Let's see. Harry maybe.

Harry?---Yeah.

Did you arrange for Mr Huang or Mr Gu to meet up with Mr Chidiac and Mr Tsirekas when they were in China on any occasion?---No.

No. Were you asked from time to time or occasionally by Mr Chidiac to arrange meetings for him with Mr Huang or Mr Gu?---No, I don't  
30 remember, like - - -

Did you ever give Mr Chidiac any cash while he was in China?---I, I do remember once Joseph lost his wallet on a flight to, on a flight from Sydney to Shanghai. So he asked me to borrow I think 2,000 RMB, which is equal to \$400 Australian. He paid me back when he came back to Australia, in cash.

So you gave him some money in China, in Chinese currency?---Yep.

40 He returned the money to you in cash in Australia. He told you at that stage he'd lost his wallet?---Yeah, after he got, I think it was at the hotel the next

morning when he arrived in Shanghai. He asked me if I have any cash can lend to him, the RMB.

Where did you get the money from?---I got, I got cash with me.

Did you take it out of your own resources, was it? It was your own money?  
---I couldn't remember. I normally carry a few thousand dollars with me in cash.

10 THE COMMISSIONER: Mr Darams, just taking some soundings on time.

MR DARAMS: Yes.

THE COMMISSIONER: I see it's going on for 10 to 4.00 now. How much more time do we need to allow? There is an application for cross-examination.

MR DARAMS: Yes. I think perhaps the most useful thing to do would be to have any applications for cross-examination and see whether we do that,  
20 and then I can – because there are a couple of things I need to reflect on as to whether there was anything further I need to ask this witness. Yes, and if we need to, we can bring him back on Wednesday.

THE COMMISSIONER: Well, have you covered all of the areas that you want to, save for - - -

MR DARAMS: Most of the areas that I wanted to cover, I have.

THE COMMISSIONER: Most of them.

30

MR DARAMS: There are a couple of other areas that I wanted to, but it's -  
- -

THE COMMISSIONER: Mr Leggat, I'm just trying to work out the timetable. It's unlikely, I gather – well, depends upon you. How much more time do you think we should allow for to finish this witness?

MR LEGGAT: Commissioner, my cross-examination will be about 10 minutes, so if I start it shortly, I'd finish before 4 o'clock.

40

THE COMMISSIONER: Yes, thank you.

MR LEGGAT: But I'm equally happy to wait until Counsel Assisting has finished. I'm in your hands, Chief Commissioner.

MR DARAMS: Maybe in those circumstances if Mr Chun was, Mr Zhou was available on Wednesday morning, we could bring him back.

THE COMMISSIONER: Mr Chun, without inconveniencing you, sorry, Mr Zhou, what's your position on Wednesday morning?---Yeah, I'm free on  
10 Wednesday. I'm fine.

You are free?---Yeah, I'm fine with - - -

Yes. Does it cause you any difficulty to return on Wednesday?---Ah - - -

You'd probably be required for about up to, well, probably less than an hour.---Is that early in the morning or really early?

It would be 10 o'clock.---Yes, that should be fine.  
20

That'd be all right?---Yep. Because I, I explained my health condition, like, to, to - - -

So does 10 o'clock suit you?---Yeah, 10 o'clock will be fine, yeah, yeah.

It does. On Wednesday next.---Yeah.

This coming Wednesday.---Yeah.

30 Is that all right?---Yep.

Okay. Well, that might be the better thing to do. Mr Leggat, I think perhaps rather than trying rushing it, we'll get Mr Zhou back on Wednesday morning. Is that all for today?

MR DARAMS: Yes, may it please. That's all for today.

THE COMMISSIONER: All right, well, Mr Zhou, we'll let you get away a bit earlier, then.---Ah hmm.  
40

And if you wouldn't mind returning so we can start at 10 o'clock on this coming Wednesday.---Yeah, sure.

Thank you, Mr Zhou.---That's all right.

You may step down. You may go.---Thank you.

Thank you. There's nothing else you want?

10 MR DARAMS: Nothing further, Chief Commissioner.

THE COMMISSIONER: Well, I'll adjourn.

**THE WITNESS STOOD DOWN [3.50pm]**

**AT 3.50PM THE MATTER WAS ADJOURNED ACCORDINGLY [3.50pm]**

20